



Agenda Date: 1/24/2006  
Agenda Placement: 9C

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Britt Ferguson for Nancy Watt - County Executive Officer  
County Executive Office

**REPORT BY:** Andrew Carey, Management Analyst, 253-4477

**SUBJECT:** Budget transfer increasing appropriations in certain budget units to fund response and recovery actions related to the 05/06 New Year's Eve Flood

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### **RECOMMENDATION**

County Executive Officer and Director of Public Works/Aviation request approval of the following four budget transfers related to the 05/06 New Year's Eve flood (4/5 vote required):

1. Budget Transfer No. 43 appropriating \$1,364,721 in the Emergency Services budget with offsetting revenues of \$1,100,961 from insurance reimbursements and \$184,632 from California Disaster Assistance Act (CDAA) funding, and a transfer of \$79,128 from the General Fund, Appropriations for Contingencies, for storm and flood related emergency response and recovery activities;
2. Budget Transfer No. 44 appropriating \$28,521 in the Equipment Pool budget with offsetting revenues of \$19,356 from CDAA funding and \$869 from insurance reimbursements, and transferring \$8,296 from Equipment Pool retained earnings to repair storm and flood related damage to County vehicles;
3. Budget Transfer No. 45 appropriating \$79,000 in the Airport Enterprise budget with offsetting revenues of \$55,300 from CDAA funding and transferring \$23,700 from the Airport Enterprise fund balance, for storm and flood related emergency response activities at the Napa County Airport; and
4. Budget Transfer No. 46 appropriating \$6,065,870 in the Road Department budget with offsetting revenues of \$2,350,100 from Caltrans, Federal Highway Administration (FHWA) and \$3,465,770 from CDAA funding, and transferring \$200,000 from Road Fund Appropriations for Contingencies and \$50,000 from Road Fund Other Charges, for storm and flood related emergency response and recovery activities concerning county roads and bridges.

### **EXECUTIVE SUMMARY**

On December 30, 2005, the Assistant County Executive Officer/Director of Emergency Services proclaimed a local emergency due to winter storms that caused flooding and extreme peril to life and property in areas of Napa County. On January 3, 2006, the Board of Supervisors adopted a resolution confirming and continuing the Proclamation of Local Emergency declared December 30, 2005. The County of Napa was included in the Governor's proclamation of a state of emergency, issued January 2, 2006. On January 17, 2006, the Governor sent

a letter to the President requesting federal assistance for individuals and public agencies in Napa County. A decision concerning a presidential disaster declaration is expected within thirty days.

Although the flood waters have receded, there is the need for immediate and long-term mitigation of damage to county property as the result of storm and flood damage. Costs to perform the necessary immediate and long-term damage mitigation exceed current appropriations in four budget units - Emergency Services, Roads Department, Airport Enterprise, and Equipment Pool. Approval of the recommended action will provide the appropriations necessary to fund immediate and long-term damage repairs to county property.

### **FISCAL IMPACT**

Is there a Fiscal Impact? Yes

Is it currently budgeted? No

What is the revenue source? Revenue source for General Fund 1000, Budget Unit 29300, Emergency Services division of the County Executive Office, \$1,364,721:

- | Insurance = \$1,100,961
- | California Disaster Assistance Act (CDAA) = \$184,632
- | General Fund, Appropriations for Contingencies = \$79,128.

If today's recommended action is approved, and if the separate recommended action requesting approval of Budget Transfer No. 40 of \$337,050 for sheriff vehicles and ancillary equipment is approved, the balance in the General Fund, Appropriations for Contingencies budget will be \$4,583,822.

Revenue source for Roads Fund 1090, Budget Unit 30000, \$6,065,870:

- | Caltrans (FHWA) = \$2,350,100
- | CDAA = \$3,465,770
- | Roads Fund, Appropriations for Contingencies = \$200,000
- | Roads Fund, Other Charges = \$50,000

Revenue source for Airport Enterprise Fund 4500, Budget Unit 31000, \$79,000:

- | CDAA = \$55,300
- | Airport Enterprise fund balance = \$23,700

Revenue source for Equipment Pool Fund 4010, Budget Unit 18000, \$28,521:

- | CDAA = \$19,356
- | Insurance = \$869
- | Equipment Pool retained earnings = \$8,296

Is it Mandatory or Discretionary? Discretionary

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Discretionary Justification:	There are insufficient appropriations in these budget units to fund needed immediate and long-term repairs resulting from storm and flood damage that occurred during the 05/06 New Year's Eve Flood.
Is the general fund affected?	Yes
Future fiscal impact:	State and federal revenue for immediate and long-term damage repairs is subject to a 5% retention until audits of the expenditures have been conducted. Thus, 5% of reimbursable expenses will most likely be realized in a future fiscal year. The 5% of state and federal revenue subject to retention has not been included in the current appropriation requests/budget transfers.
Consequences if not approved:	There will be insufficient appropriations in these budget units to fund needed immediate and long-term damage repairs.
Additional Information:	None

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

On December 30, 2005, pursuant to authority in Government Code Section 8630 and Napa County Code Section 2.80.060(A)(2), the Assistant County Executive Officer/Director of Emergency Services proclaimed a local emergency due to winter storms that caused flooding and extreme peril to life and property in areas of Napa County. The County of Napa was included in the Governor's proclamation of a state of emergency, issued January 2, 2006. On January 17, 2006, the Governor sent a letter to the President requesting federal assistance for individuals and public agencies in Napa County. A decision concerning a presidential disaster declaration is expected within thirty days.

On January 3, 2006, the Board of Supervisors adopted a resolution confirming and continuing the Proclamation of Local Emergency declared December 30, 2005. In order for the Local Emergency declaration to remain in effect, the Board must review the need for continuing the Local Emergency every 14 days (21 days if a regular meeting is not scheduled). In a separate action on January 24, 2006, the Board will be asked to approve an extension of the Local Emergency for Napa County.

Although the flood waters have receded, there is the need for immediate and long-term repair of damage to county property as the result of the recent storm and flood. Costs to perform the necessary immediate and long-term repairs exceed current appropriations in four budget units - Emergency Services, which is a General Fund department, and the Roads Department, Airport Enterprise, and Equipment Pool budget units, which are non-General Fund departments.

Increased appropriations for storm related response and recovery services and supplies are requested for these budget units as follows:

**General Fund 1000, Budget Unit 29300, Emergency Services division of the County Executive Office,** an increase of \$1,364,721 in appropriations with offsetting revenue and a transfer from:

- | Insurance reimbursement = \$1,100,961
- | California Disaster Assistance Act (CDAA) = \$184,632
- | General Fund, Appropriations for Contingencies = \$79,128

Staff has been capturing and tracking general flood and storm related expenses and the joint City-County Local Flood Assistance Center (LFAC) related expenses in several broad categories such as professional services, debris removal, rents and leases, and miscellaneous expenses.

Several County facilities experienced storm and flood damage, with the greatest damage occurring at 650 Imperial Way, where the first floor was inundated. Repair and recovery expenses related to the inundation of 650 Imperial Way are estimated at approximately \$1million. These expenses include costs for a temporary move of Health and Human Services personnel to the Hall of Justice and carpet removal and replacement at 650 Imperial. Costs to repair minor damage to other County-owned facilities, which include the Hall of Justice, Administration Building, and the Water Street property, are estimated at approximately \$29,000. General flood related debris removal expenses are estimated at approximately\$70,000. General flood related miscellaneous expenses are estimated at approximately \$58,000 and include costs for providing food for staff in the Emergency Operations Center, costs for copy expense and materials to prepare damage assessment briefing binders for federal and state officials, and replacement of damaged office furniture and equipment.

LFAC professional services expenses are estimated at approximately \$165,000 and include costs for contracted bilingual staff, other contracted support staff, and copier and fax machine expenses. LFAC lease expense for temporary modular buildings to house the LFAC are estimated at approximately \$13,600. LFAC miscellaneous expenses, which consist primarily of costs to install communications services at the LFAC, are estimated at approximately \$20,000.

Except for insurance deductibles, the County's insurance will cover the expenses related to repairing damage to County-owned buildings. CDAA funds will cover 75% of eligible immediate and long-term response and recovery expenses, including the County's insurance deductibles. Staff recommends that the remainder of the appropriations not covered by insurance or CDAA come from the General Fund, Appropriations for Contingencies.

**Road Fund 1090, Budget Unit 30000**, an increase of \$6,065,870 in appropriations with offsetting revenue and transfers from:

- | Caltrans (FHWA) = \$2,350,100
- | CDAA = \$3,465,770
- | Roads Fund Appropriations for Contingencies = \$200,000
- | Roads Fund Other Charges = \$50,000

Roads where the present damage estimate is approximately \$0.5 million or more include Dry Creek, Wooden Valley, Mt. Veeder and Spring Mountain. Damage estimates include the cost to remove debris and clear the road, and to repair damage caused by pavement and culvert failures, and washout of segments of the county road system.

The Road Department's recovery objectives are to provide for public safety; to open all roads to at least one lane of travel for emergency vehicles; to clear and maintain Arterials, Collectors and open to thru traffic and high volume roads; to address conditions of washouts, debris and slides that might further deteriorate the road structure; to respond to complaints that have major effect to others and the road system; and to proactively address other environmental concerns that may be raised by regulatory agencies.

Caltrans will reimburse the County for \$2,350,100 of eligible FHWA expenses. CDAA will reimburse the County for

75% of eligible immediate and long term response and recovery expenses (\$3,465,770.) The remainder of the appropriation request (\$250,000) will be transferred from Road Fund Appropriations for Contingencies and Road Fund Other Charges.

Today's requested appropriation does not include the full estimated cost for long-term damage repair. An additional \$1,485,300 will be necessary to complete all the required long-term repairs, and the Roads Department will return to the Board at a later date for an additional appropriation when sufficient revenue sources have been identified. Additionally, due to high water levels in local streams, the Road Department has not been able to inspect the underside of some county bridges for storm and flood damage. Staff will return to the Board with an update should any additional damage to County roads and bridges be discovered.

**Airport Enterprise Fund 4500, Budget Unit 31000**, an increase of \$79,000 in appropriations with offsetting revenue and a transfer from:

- | CDAA = \$55,300
- | Airport Enterprise fund balance = \$23,700

There were three areas of the Airport affected by the 05/06 New Year's Eve Flood: Fagan Creek bank washed out along Airport Road causing pavement cracks and sinking, Taxiway Kilo was flooded with mud and debris which was caused by debris blocking Fagan Creek, and receding flood waters deposited debris on the approach of RW 36R, Taxiway Delta, Taxiway Echo, Taxiway Foxtrot and Taxiway Hotel. Taxiway Kilo was reopened on January 5th.

**Equipment Pool Fund 4010, Budget Unit 18000**, an increase of \$28,521 in appropriations with offsetting revenue and a transfer from:

- | CDAA = \$19,356
- | Insurance = \$869
- | Equipment Pool retained earnings = \$8,296

The Equipment Pool experienced miscellaneous storm and flood related damage in the total amount of approximately \$27,700 to seven pieces of equipment assigned to the Roads Department. Damage to these vehicles occurred during immediate response activities related to the 05/06 New Year's Eve Flood. Examples of damage to Roads Department equipment include a damaged backhoe bucket, hood and radiator damage, and punctured tires.

Three vehicles (2 Information Technology Services vehicles and 1 Fleet vehicle on loan to Health and Human Services) received a total of \$869 in water damages due to inundation at 650 Imperial Way.

**Additional Information:**

Staff have prepared this board letter and related budget transfers based upon the information and damage estimates available in the first two weeks following the 05/06 New Year's Eve Flood. Because a federal disaster proclamation is anticipated, but not yet certain, these budget transfers reflect revenue and appropriation numbers based on reimbursement projections for CDAA (75% of eligible costs) and insurance coverage only. With a federal disaster declaration, 75% of all eligible immediate and long-term recovery costs would be reimbursed by the federal government, 18.75% of eligible costs (75% of the remaining 25% not covered by federal funds) would be reimbursed by CDAA. Thus, 93.75% of eligible costs would be covered by federal and state funds.

In the event of a presidential disaster declaration, staff will return to the Board with another set of budget transfers seeking additional appropriations with offsetting revenues based on the combined federal and CDAA formula for eligible reimbursement of storm and flood related expenses. Additionally, because the existing damage estimates

were prepared within a short span of time, the current damage estimates may not encompass all storm and flood related damage to County property. Should there be additional damage estimates related to the 05/06 New Year's Eve Flood, staff will report these to the Board and seek additional appropriations as appropriate.

Storm and flood related personnel costs are not included in the current appropriations request. However, flood related personnel expenses are recoverable and are being tracked for future reimbursement through CDAA, and the federal government, should the County receive a presidential disaster declaration. Staff will be monitoring flood related revenues and expenditures and will report to the Board at a future date with a full reconciliation.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Andrew Carey