



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Administrative Office

(831) 454-2100

Subject: CZU Lightning Complex Fire Emergency Costs

Meeting Date: October 20, 2020

Recommended Action(s):

- 1) Adopt resolution to accept and appropriate funding for eligible costs from Federal Emergency Management Agency (FEMA) in the amount of \$5,686,892; \$1,468,538 from the California Office of Emergency Services (CalOES), and \$1,104,772 as an operating transfer for the emergency response based on estimates of \$8,383,322;
- 2) Approve a transfer of funds from Contingencies of \$1,227,891 for the County's match to the estimated general emergency response costs;
- 3) Authorize the County Purchasing Agent to enter into agreements on behalf of departments to engage independent contractors to perform services related to the local emergency for the county and officers; and
- 4) Authorize the County Auditor-Controller-Treasurer-Tax Collector to approve budget appropriation adjustments related to the CZU Lightning Complex Fires response efforts related to State and Federal revenue estimates.

Executive Summary

To account for the additional revenues and expenditures incurred in response to the CZU Lightning Complex Fires, budgetary adjustments will be required. The attached resolutions authorize the County Auditor-Controller to accept and appropriate those reimbursements expected from the Federal Emergency Management Agency (FEMA), California Office of Emergency Services (CalOES), and other revenue sources based on the cost estimates to date and transfer matching funds from contingencies.

Background

The CZU Lightning Complex Fires began on or about August 15, 2020 from several lightning strikes and quickly grew to more than 86,000 acres with more than 900 homes and structures destroyed. The County Administrative Officer, acting in his capacity as Director of Emergency Services, proclaimed a local emergency on August 19, 2020, and the proclamation was ratified by the Board of Supervisors at a special meeting on August 25, 2020. Governor Newsom declared a State of Emergency on August 20, 2020, establishing Santa Cruz County as eligible for financial assistance.

As of October 10, 2020, estimated costs for debris removal and protective measures total \$8,383,322, consisting of \$5,577,138 in debris removal activities and \$2,806,184 in

protective measures, including \$2,496,782 for shelter and care costs.

Analysis

FEMA costs are identified as costs that would not have been previously borne by the County. Regular salaries and benefits would not be claimable for FEMA reimbursement. Projected FEMA-eligible expenditures based on current operations is identified as \$7,155,430 for the debris removal and protective measure costs. FEMA reimburses at a rate of 75% of eligible costs, and CalOES funds 75% of the remaining 25%, with contingencies funding the required local match and any non-reimbursable costs. A contingencies transfer of \$1,227,891 is required for the local match and to fund costs not eligible for reimbursement. Restricted contingencies are available including \$1,000,000 in emergency infrastructure repairs, and \$227,891 set-aside for emergency response.

Lastly, due to the nature of emergency response, claiming guidance and resource requests occur continuously. It is necessary to grant County Purchasing the authority to enter into contract agreements with various entities and the Auditor-Controller-Treasurer-Tax Collector the authority to perform budget adjustments to ensure sufficient appropriations are available as the response continues.

Financial Impact

Initial estimated costs for debris removal and protective measures are \$8,838,322, of which FEMA is anticipated to fund \$5,686,892, CalOES will fund \$1,227,891 and Contingencies will fund \$1,227,891.

Strategic Plan Element(s)

The County's CZU Lightning Fire Response effort includes the following strategic plan elements:

- 1.A. Comprehensive Health & Safety (Health Equity)
- 1.B. Comprehensive Health & Safety (Community Support)

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution Aud-60 CZU Lightning Fire Costs
- b AUD-74 Contingency Transfer