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Title: (a) Consideration of a Fourth Amendment to the Funding Agreement Between the State of California Department of Water Resources and the Lake County Watershed Protection District Under the Flood Protection Corridor Program; and (b) Consideration of a Resolution Amending the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project Budget

Sponsors: Lake County Watershed Protection District

Indexes:

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Attachments: 1. Amendment4_FundingAgreement.pdf, 2. Reso_AmendMiddleCreekProjectBudget.pdf

Date	Ver.	Action By	Action	Result
3/14/2017	1	BOARD OF SUPERVISORS	Adopted	

MEMORANDUM

TO: Board of Directors, Lake County Watershed Protection District

FROM: Philip B. Moy, Director of Water Resources

DATE: March 14, 2017

SUBJECT: (a) Consideration of a Fourth Amendment to the Funding Agreement Between the State of California Department of Water Resources and the Lake County Watershed Protection District Under the Flood Protection Corridor Program; and

(b) Consideration of a Resolution Amending the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project Budget

EXECUTIVE SUMMARY:

The Department respectfully requests that the Board of Supervisors, sitting as the Board of Directors of the Lake County Watershed Protection District (District), consider two items relating to the ongoing Middle Creek Flood Damage Reduction and Ecosystem Restoration Project.

(a) A Fourth Amendment to the Funding Agreement Between the State of California Department of Water Resources and the Lake County Watershed Protection District

In 2003, the District applied for a Flood Protection Corridor Program (FPCP) grant to begin property

acquisition within the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project (Project) area. Our application was selected and the above-referenced Funding Agreement was executed by the parties. That funding was initially in an amount not to exceed \$5,214,000.00. The first amendment to this Agreement in 2006 increased the available funding by \$500,000.00 and extended the term of the Agreement to 2009. The second amendment to the Agreement increased the available funding by \$7,000,000.00 and further extended the term of the Agreement to 2014. The third amendment to the Agreement extended the Agreement term to June 30, 2017.

The fourth amendment to the Agreement which is presented for your Board's consideration allows the consolidation, through line item reallocation, the \$2,100,000.00 remaining in the District's Project budget. These funds are presently distributed among five Project tasks: Administration, Demolition, Relocation, Property Maintenance, and Acquisition. By this fourth amendment, the \$2,100,000.00 remaining will be consolidated from Administration, Demolition, Relocation, and Property Maintenance to Acquisition. These funds will then be applied to the acquisition costs of two more properties within the Project area, the Bobst and Robinson properties. The acquisition of these properties was previously approved by your Board in September of 2016.

We anticipate that the total acquisition costs for these two properties will exceed the amount remaining in the Project budget by \$89,338.26. There will also be costs for Relocation, Demolition, Property Maintenance, and Administration. The total amount of approximately \$400,000.00 will be paid from District reserves.

As a result of this budget reallocation, the District will not immediately receive compensation for Administration, Demolition, Relocation, and Property Maintenance costs associated with these two properties. However, those costs, as well as the acquisition shortfall, will be eligible for reimbursement through a new Flood Protection Corridor Program grant.

(b) A Resolution Amending the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project Budget

The proffered resolution will authorize the amendment of the current Project budget to consolidate, through line item relocation, the Project funds remaining in Administration, Demolition, Relocation, Property Maintenance, to Acquisition. The Bobst and Robinson properties may then be acquired.

FISCAL IMPACT: ___ Budgeted Non-Budgeted
Estimated Cost: **\$89,338- \$400,000**
Amount Budgeted:
Additional Requested:
Annual Cost (if planned for future years):

FISCAL IMPACT (Narrative): This will reduce The Watershed Protection District's budget up to \$400,000 until or unless the district can get reimbursed from a future grant allocation.

STAFFING IMPACT (if applicable): NONE

RECOMMENDED ACTION: Sitting as the Board of Directors of the Lake County Watershed Protection District:

- (a) Your Board may, by motion, approve the Fourth Amendment to the Funding Agreement Between the State of California Department of Water Resources and the Lake County Watershed Protection District Under the Flood Protection Corridor Program and authorize the Chair to sign.
- (b) Your Board may offer the Resolution Amending the Middle Creek Flood Damage Reduction and Ecosystem Restoration Project Budget.