

CITY OF SANTA ROSA  
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES  
FROM: CLAIRE MYERS, SUSTAINABILITY REPRESENTATIVE  
SANTA ROSA WATER  
SUBJECT: HAZARD MITIGATION GRANT PROGRAM FUNDING UPDATE

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Water Department that the Board, by resolution, authorize the Water Department to apply for Hazard Mitigation Grant Program (HMGP) funding through the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES) for three hazard mitigation projects, and authorize a commitment to meet the local match fund requirements for HMGP should one or more projects be selected for grant funding, in substantially the form outlined in this Staff Report.

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EXECUTIVE SUMMARY

Water Department staff request authorization to submit subapplications for Hazard Mitigation Grant Program (HMGP) funding for three projects through the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES). Staff also request authorization of a commitment to meet the local match fund requirements of the HMGP, up to approximately \$11.4 million, should one or more of the projects be selected by Cal OES and FEMA for grant funding.

BACKGROUND

Because of the declaration of a federal disaster due to the October 2017 wildfires, the City of Santa Rosa is eligible to apply for HMGP funding through the FEMA and Cal OES. Cal OES reviews HMGP subapplications and forwards funding recommendations to FEMA. FEMA has final approval for activity eligibility and funding.

This program does not fund repairs for damages that result after a disaster. Instead, HMGP provides federal funds for hazard mitigation activities aimed at reducing or eliminating damages from *future* disasters. HMGP provides up to \$5 million of federal funding per approved project and requires a local match of at least 25 percent of eligible project costs.

As the first step in determining which projects may be eligible for funding, the Water Department submitted eight Notices of Interest (NOIs) for potential projects to Cal OES

for expedited review in early 2018. Of these projects, Cal OES determined that six were eligible to proceed with submitting a subapplication for a competitive process to seek funding. Staff has determined that three of the eligible projects would not meet subapplication requirements because project costs would exceed benefits and/or the project design will not be at the requisite level of completion by the application deadline. Staff does not recommend pursuing grant funding for these three projects at this time.<sup>1</sup>

Staff recommends moving forward with submitting subapplications for the remaining three projects: replacing emergency backup generators at critical water and wastewater facilities; completing seismic retrofits and upgrades to three steel tank reservoirs; and constructing a floodwall to protect the Laguna Treatment Plant, and Geysers and Reclamation pump stations. Subapplications are due to Cal OES by September 4, 2018, and staff have begun compiling applications with the assistance of Ernst & Young.

### PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On June 21, 2018, Water Department staff provided a briefing to the Board of Public Utilities describing the HMGP process, eligible projects, and costs.

### ANALYSIS

During and since the 2017 wildfires, the City of Santa Rosa has experienced the impacts of natural disasters at unprecedented scales. High disaster recovery costs, potential impacts to human life, and rising variability in hazard impacts and frequency are all motivators for the City of Santa Rosa to identify effective ways to reduce the City's vulnerability to future disasters now.

The City's Local Hazard Mitigation Plan (LHMP) identifies the capabilities, resources, information, strategies for risk reduction, and critical facilities important for the City to reduce its vulnerability to natural disasters. The projects potentially eligible for funding through the HMGP would support implementation of the LHMP, and significantly reduce or eliminate vulnerabilities to critical water and wastewater infrastructure from future natural hazards including fires, floods, and earthquakes. Specifically, the projects would mitigate risks such as loss of water that could affect public health and safety, overflows of raw sewage affecting public health and environmental hazards, loss of water pressure, significant damage to critical equipment, and damage to public and private property and infrastructure. The three Water projects for which staff recommends submitting subapplications are summarized in Table 1.

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<sup>1</sup> The three projects, as discussed at the BPU meeting on June 21, 2018, are rehabilitation of Carley and Peter Springs emergency wells, Supervisory Control and Data Acquisition (SCADA) enhancements, and fireproofing water/wastewater facilities.

**Table 1. Projects to Proceed with HMGP Subapplication**

<b>Project</b>	<b>Vulnerability &amp; Risk</b>	<b>Project Description &amp; Value</b>
167: Back-up Generators at Critical Water/Wastewater Facilities	<u>Vulnerability:</u> All hazards resulting in power failure at critical water/wastewater facilities. <u>Risk:</u> Loss of water for public health and safety, overflows of raw sewage affecting public health and creating environmental hazards.	Replace natural gas/propane generators at critical water/wastewater facilities with more reliable diesel generators. Replace/improve substandard transfer switches. This would allow critical systems to operate if natural gas and electricity energy sources are compromised during a hazard event.
196: Seismic and Water Supply Improvements to Steel Reservoirs	<u>Vulnerability:</u> An earthquake event could result in tank failures, especially given the proximity of reservoirs the Rogers Creek Fault. <u>Risk:</u> Loss of water for firefighting and for potable water supply.	Correct seismic deficiencies at three welded steel reservoirs to meet current code and allow the water levels in the tanks to operate at full capacity. This would increase water available in the tanks for firefighting and for drinking water purposes during and after an emergency.
249: Water Treatment Facility Flooding Mitigation	<u>Vulnerability:</u> The Laguna Treatment Plant (LTP), and Geysers and Reclamation pump stations have critical equipment located below the 100- year flood elevation. <u>Risk:</u> Significant damage to critical equipment if inundated by high flood waters.	Construct berms, walls, and gates around the LTP, and Geysers and Reclamation pump stations. This would prevent inundation, damage to facilities, and a potential shut-down of facilities during and after a flood event.

## FISCAL IMPACT

HMGP funds are provided on a 75/25 cost share basis, which is 75% federal for eligible expenses<sup>2</sup> (up to \$5 million) and 25% local match funding. The total cost for all three projects is currently estimated to be approximately \$23.8 million, of which \$12.4 million (52%) would come from federal grants, and \$11.4 million (48%) would come from City matching funds. City matching funds would come from a variety of sources, including Water and Wastewater enterprise funds, the Water capital fund, and the Subregional capital fund. Projects 196 and 249 are already in the Capital Improvement Program (CIP), so the grant funding would offset planned funding. Project 167 is a new project identified in response to the October 2017 wildfire; funding for this project would require reprioritization of existing CIP projects. Table 2 shows approximate cost and funding source(s) for each project.

<sup>2</sup> Excludes contingency and overhead costs

**Table 2. Fiscal Impact**

<b>Project</b>	<b>Total Project Cost</b>	<b>Federal Grant</b>	<b>City Matching Funds</b>	<b>City Funding Source</b>
167: Back-up Generators at Water/Wastewater Facilities	\$5,332,000	\$3,488,000	\$1,845,000	Water and Wastewater Enterprise funds
196: Seismic and Water Supply Improvements to Steel Reservoirs	\$6,038,000	\$3,913,000	\$2,124,000	Water Capital Fund
249: Water Treatment Facility Flooding Mitigation	\$12,397,000	\$5,000,000	\$7,397,000	Subregional Capital Fund

### ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 in that the funding will accommodate upgrades, repair, and maintenance of equipment and systems within existing facilities with negligible expansion of the use.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

### ATTACHMENTS

Resolution authorizing submittal of subapplications for HMGP funding for three projects, and committing the department to the local match share of funding.

### CONTACT

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