

**EL DORADO COUNTY SHERIFF'S OFFICE
SHERIFF JOHN D'AGOSTINI**

MEMORANDUM



TO: Chief Administrative Officer, Don Ashton
FROM: Chief Fiscal Officer, Sheriff's Office, Jon DeVille
SUBJECT: FEMA PUBLIC ASSISTANCE (PA) CALDOR FIRE
DATE: June 3, 2022

INTRODUCTION

As you all are aware a Presidential Disaster was declared due to the destruction caused in El Dorado County and other surrounding areas by the Caldor Fire. Disaster number FEMA-4619-DR was issued on September 12, 2021 (Incident period August 14, 2021 – October 21, 2021). As part of this Disaster Declaration, El Dorado County is eligible to receive Public Assistance (PA). Under a Presidential Disaster, FEMA designates the types of Federal assistance authorized. The President may authorize assistance to 1) individuals, 2) households and 3) State, Territorial, Indian Tribal, and local governments, and certain types of Private Non-Profit organizations. FEMA aids State, Territorial, Indian Tribal, and local governments and certain types of PNP organizations via the Public Assistance Program (PA). El Dorado County has qualified to receive reimbursements for our emergency response efforts (Overtime Labor and straight time labor where applicable), damages to County infrastructure, debris removal, supplies, and other expenses through the Public Assistance (PA) program.

The Sheriff's Office is designated by the Board of Supervisor's as the authority to manage the Public Assistance (PA) program process for FEMA reimbursements for all disasters in the County. The Chief Fiscal Officer of the Sheriff's Office is the Finance Chief and team lead responsible for working with FEMA and CalOES to submit projects for reimbursement through the Public Assistance (PA) program.

In short, the FEMA Public Assistance process for El Dorado County reimbursements as part of Disaster 4619 – CALDOR FIRE is going well. For the Caldor Fire incident, the Sheriff's Office Office of Emergency Services (OES) has added the CFO of CAO Community Development Finance and

Admin, Becky Morton and Sr. Engineer from the Department of Transportation, Jon Balzer, to the Finance Section Team, they have been extremely valuable in this process given their knowledge of the County and experience from the 2017 Winter Storms.

They are here with me today, to answer any specific questions regarding CDFA and DOT Projects.

STATUS OF EXPENDITURES YEAR TO DATE

Year to date, the County has had roughly \$4,059,075 in expenditures as part of the Caldor Fire, however approximately only \$2,603,179 will be eligible for reimbursement. The eligible costs include overtime staff hours, equipment, supplies, food, gas, sheltering costs and other miscellaneous costs relating to the Caldor Fire. Given that only \$2,603,179 of the already expended \$4,059,075 is eligible for reimbursement, the remaining, \$1,455,896 is not going to be eligible for FEMA reimbursement. The ineligible costs were incurred from straight time labor and administration and overhead time. Per FEMA, straight time costs are not generally eligible for reimbursement when the work is performed for emergency protective measures. The majority of this straight time labor was related to the Sheriff's Office staff performing security and evacuations during the fire and will not be eligible for reimbursement.

SNAPSHOT OF ESTIMATED FEMA ELIGIBLE COSTS

As part of the FEMA Public Assistance (PA) Program, we must estimate all the costs we anticipate having to restore County infrastructure, to be made whole for our emergency efforts and to reimburse our mutual aid partners. The Caldor Finance Section team has been working with El Dorado County departments, FEMA and Cal OES to capture costs into various projects in a central database referred to as FEMA Grants Portal. As of the date of this memo, we currently are anticipating having an estimated \$24,694,000 in Caldor costs eligible for reimbursement based on information and documentation received from various stakeholders; of this amount, we are anticipating receiving \$24,076,650 in reimbursements.

In the past, FEMA would reimburse at a rate of 75% of eligible expenses, however, on March 15, 2022 President Biden signed the Consolidated Appropriations Act which allowed for disasters occurring in 2020 and 2021, including the Caldor Fire, to be reimbursed at 90%. Given this change, we are anticipating the County being reimbursed approximately \$22,224,600 from FEMA. After accounting for FEMA's reimbursement amount, CalOES then will reimburse El Dorado County 75% of the remaining costs, which will be approximately \$1,852,050. The remaining costs after the FEMA and CalOES eligible reimbursements is the required County match, which will be an estimated \$617,350 or 2.5% of the total eligible costs (not 2.5% of actual costs).

One additional factor to consider is El Dorado County has the possibility of a 5% Management Cost, reimbursement from FEMA which could be upwards of \$1,000,000. This reimbursement would off-set our expected 2.5% County match of \$617,350.

EXPECTED DATE OF REIMBURSEMENT

Of the \$24,694,000 in total Caldor expenses anticipated to be spent throughout the emergency response and restoration periods, El Dorado County has spent over \$4,059,075 in FY 2021/2022(as of mid-May 2022) with the remaining \$20,704,965 expenses occurring in FY 2022/23.

Reimbursements for projects will begin following obligation of the projects from FEMA and CalOES then upon submission of necessary paperwork, the County will begin receiving payments.

Highlights of expected costs in FY 2022/23

El Dorado County will be paying out an estimated \$3,200,000 to mutual aid partners once FEMA reimburses El Dorado County, these partners provided staff to assist law enforcement, inspectors, animal services, and various other County positions throughout the disaster period. An estimated \$5,944,000 in tree removal activities will be expended to remove trees that are hazardous as a result of the fire. Once the trees are removed, we are estimating that road damages could be roughly upwards of \$9,900,000 to repair but will not have a final cost until work has begun. The Consumnes Mine Bridge repair is projected to cost roughly \$1,357,000 to replace the bridge that was destroyed. Finally, it is anticipated that additional Right of Entry, abatement, County Debris Removal, and other related tasks to cost roughly \$303,965.

When can EDC expect to receive the balance of the anticipated \$24,076,650 in reimbursements

Barring any setbacks, it is possible the County could receive reimbursements for all eligible costs by June 30, 2023. I would like to caution the Board; however, it is very realistic, that the majority of the PPDR road repairs (\$9,900,000) will spill into FY 2023/24 and could cost more to repair than originally anticipated. This uncertainty arises from the fact the debris removal process is incomplete and additional damages to roads will be identified in the future causing delays in completion and an increase in costs.

BREAKDOWN OF COSTS BY CATEGORIES

FEMA designates costs into categories base on the work completed for each project.

Category A: Debris Removal accounts for 27% of our Caldor costs (6,600,000).

Category B: Emergency Protective Measures accounts for 27% of our Caldor Costs (\$6,617,000).

Category C: Permanent Work accounts for 46% of our Caldor Costs (\$11,467,000).

Category Z: Management Cost potentially 5% of total project costs

CONCLUSION

We have been obligated a very small percentage of projects we have in Grants Portal. Aside from tree debris removal, all the supporting documentation for our Category A and Category B projects is required to be uploaded into FEMA Grants Portal by June 17, 2022. After that, FEMA will review the submissions and the County will begin to have additional projects obligated and revenues from reimbursements should start coming in the first quarter of FY 2022/23. In closing, be aware there is always a risk of facing challenges with FEMA which could result in costs not being fully reimbursed, with that said, I am confident El Dorado County is in a favorable position to be reimbursed as projected. There is a more work to be done and progress to be made, but staff navigating through this process are experienced and well versed in the expectations put forth by both FEMA and CalOES. Further information on the status of the FEMA Public Assistance process for El Dorado County reimbursements as part of Disaster 4619 – CALDOR FIRE will be provided to the Board on an on-going basis starting in July 2022.