



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: September 24, 2019

DATE: August 29, 2019

TO: Board of County Commissioners

FROM: Trish Dyer, Fiscal Compliance Officer
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Lori Cooke, Budget Manager
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THROUGH: Ben Hutchins, CPA, Director, Finance and Customer Service Division
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Dave Solaro, Interim County Manager

SUBJECT: Recommendation to approve the Resolution to augment the Capital Improvement Fund in the amount of [\$2,500,000] to increase Fiscal Year 2020 budget authority for projects related to current and future mitigation of flood/storm water impacts in the North Valleys as directed by the Board of County Commissioners on August 27, 2019; and direct the Comptroller to make the necessary budget amendments. (Commission District 5.)

SUMMARY

This item seeks to approve a Resolution to augment the County's Capital Improvement Fund in the amount of \$2,500,000 to increase Fiscal Year 2020 budget authority for flood mitigation elements, as well as development and implementation of both short-term projects and long-term planning to provide protection against potential future flood events associated with closed basins in Washoe County.

There is sufficient unappropriated fund balance from the proceeds received from the sale of water rights that the Board of County Commissioners committed to the January and February 2017 flood events within the fund, however additional budget authority is needed to increase appropriations to cover the expenses.

Washoe County Strategic Objective supported by this item: Stewardship of our community.

PREVIOUS ACTION

August 27, 2019 – The Board of County Commissioners (Board) heard a presentation and provided recommendations to staff to mitigate flood/storm water impacts and remove water from Swan Lake by: 1) Funding continued operation and maintenance of existing barrier systems and storm water pumping; 2) Design and bid of projects such as alternative pumping and barrier systems, enhanced aeration, and land application;

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3) Development of property use agreements; 4) Entering into consultant agreements for feasibility studies evaluating long-term options; and 5) Bring to the Board of County Commissioners for consideration any matters exceeding \$100,000 pursuant to applicable provisions of state law and Washoe County Code section 15.495 [total budget not to exceed \$2,500,000].

April 23, 2019 – The Board retroactively authorized the emergency purchase of the temporary flood mitigation system from US Flood Control Corp [in the amount of \$210,909], to protect residential homes most vulnerable to immediate water elevation increases of Swan Lake in the areas of Pompe Way and Shane Way in Lemmon Valley. The purchase was conducted pursuant to NRS 332.112 and 338.011.

April 9, 2019 – The Board provided recommendation to discuss and provide policy direction to staff related to the closed East Lemmon Valley Hydrographic Basin to include next steps to address lasting elevated lake levels.

April 9, 2019 – The Board authorized Assistant County Manager, Dave Solaro, to enter into all necessary emergency agreements and construction contracts for the continued development and implementation of the 2019 mitigation and response measures associated with the Lemmon Valley Wastewater Treatment Plant for access road and berm improvements [not to exceed \$500,000], and for seepage, bypass, and backup pumping systems associated with the treatment plant and collection system [not to exceed \$150,000], pursuant to NRS 332.112 and 338.011.

December 12, 2017 – The Board acknowledge receipt of an update on the 2017 North Valleys Flood Incident; directed staff to submit Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant applications for the proposed purchase of specific residences located within the Swan Lake FEMA designated floodplain that were impacted by the 2017 presidentially declared February 2017 flood; and approved the transfer of up to \$300,000 as needed from contingency funds to the Capital Improvement Fund for the construction of additional temporary flood barriers in the Swan Lake area.

September 12, 2017 – The Board affirmed the continued flood response activities related to the 2017 January and February floods and directed staff to initiate the development of a flood response plan for North Valleys closed hydro-basins, a flood mitigation plan for North Valleys closed hydro-basins and to pursue the application process for a FEMA Hazard Mitigation Grant, for the possible purchase of specific residences located within the Swan Lake floodplain that were impacted by the 2017 presidentially declared February flood.

June 27, 2017 – The Board approved the use of General Fund Contingency and committed proceeds received from the sale of water rights [\$2,895,600] from the Capital Improvement Fund in FY 2017 to cover the County's expenses related to the January and February 2017 flood events.

May 23, 2017 – The Board approved gifting general funds to cover the cost of County building permit fees for specific assessor's parcel numbers affected by Swan Lake (and the immediate vicinity) flooding when demonstrated that individual insurance carriers would not cover the cost of County building permit fees.

May 9, 2017 – The Board received an update on the North Valleys flood incident operation.

April 25, 2017 – The Board directed staff to return with a District Attorney opinion regarding the possible methods for gifting general fund money for building permits related to the Lemmon Valley Flood.

March 28, 2017 – Washoe County staff provided an update to the Board on emergency operations related to the February 23, 2017 Declaration of State of Emergency and received approval of actions taken by the County Manager pursuant to emergency powers related to the state of emergency.

March 21, 2017 – Washoe County staff provided an update to the Board on emergency operations related to the February 23, 2017 Declaration of State of Emergency and received approval of actions taken by the County Manager pursuant to emergency powers related to the state of emergency.

March 14, 2017 – The Board ratified a Declaration of a State of Emergency by the Washoe County Manager on February 23, 2017, and received an update on the related emergency operations for the North Valleys flood response.

BACKGROUND

In Fiscal Year 2017, the Board committed proceeds received from the sale of water rights for the January and February 2017 flooding events. The funds are available in the Capital Improvement Fund however, an augmentation is necessary to increase Fiscal Year 2020 budget authority.

Nevada Revised Statute (NRS) 354.598005 and Nevada Administrative Code 354.410 set for the requirements for budgetary augmentations. Available resources for a mid-year budget augmentation are:

- An opening balance which is larger than anticipated;
- Revenues in excess of those budgeted;
- Revenues generated from previously unbudgeted sources; or
- An unappropriated ending balance of a fund for capital projects.

In this case, funds had been set aside in the Capital Improvement Fund from the sale of water rights and the County can augment any of the unappropriated ending fiscal year 2019 fund balance from the Capital Improvements Fund. The Board authorized an augmentation not-to-exceed \$2,500,000.

FISCAL IMPACT

If approved, \$2,500,000 is available in the Fiscal Year 2020 unappropriated fund balance of the Capital Improvement Fund (402) that will result in an increase in expenditure appropriation for the North Valley's Mitigation Strategy Project (PW920506).

Any variance between Fiscal Year 2019 unaudited financials used for the augmentation and the audited financials will be brought to the Board if necessary.

Cost Object	G/L Account	Amount
Source of Funds:		
Unappropriated Fund Balance	Cash Account 4002	\$2,500,000
Expenses:		
PW920506 – North Valley’s Mitigation Strategy	781006 – Major Repairs Capital	\$2,500,000

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the Resolution to Augment the Capital Improvement Fund in the amount of [\$2,500,000] to increase Fiscal Year 2020 budget authority for projects related to current and future mitigation of flood/storm water impacts in the North Valleys as directed by the Board of County Commissioners on August 27, 2019; and direct the Comptroller to make the necessary budget amendments.

POSSIBLE MOTION

Should the Board agree with staff’s recommendation, a possible motion would be: “Move to approve the Resolution to augment the Capital Improvement Fund in the amount of [\$2,500,000] to increase Fiscal Year 2020 budget authority for projects related to current and future mitigation of flood/storm water impacts in the North Valleys as directed by the Board of County Commissioners on August 27, 2019; and direct the Comptroller to make the necessary budget amendments”.