

Central Services
Joan Araujo, Director

Engineering Services
Anastasia Seims, Director

Roads & Transportation
Anitha Balan, Director

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Watershed Protection
Jeff Palmer, Director

September 10, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Board of Supervisors
Ventura County Watershed Protection District
800 South Victoria Avenue
Ventura, CA 93009

Subject: **Approval of a Loan of up to \$2,973,000 from the County of Ventura's General Fund for Watershed Protection District Zone 1 For Cash Flow Until Natural Resources Conservation Services Grant Are Received to Complete the Purchase of the Ryder Property and Construct the Coyote Creek Pilot Channel; Authorize the Auditor-Controller to Process Necessary Budgetary Transactions; Supervisorial District No. 1; RECOMMENDATION NO. 2 REQUIRES 4/5th Vote.**

Recommendations:

1. Approve a General Fund 3-year loan of up to \$2,973,000 at the County's treasury pool interest rate for Watershed Protection District Zone 1, with repayment to begin no later than one year of the first loan drawdown (requires 4/5ths vote) and authorize staff to execute necessary documents.
2. Authorize the Auditor-Controller to process budgetary transactions necessary to revise the following appropriations (requires 4/5ths vote):

Fund 710 Watershed Protection District Zone 1

INCREASE	4210-4211 Other Charges	\$148,650
DECREASE	4210-4211 Restricted Public Protection	\$148,650



Fiscal/Mandates Impact:

Mandatory: No
Source of Funding: Watershed Protection District Zone 1
Funding Match Required: No
Impact on Other Department(s): None

Summary of Revenue and Total Costs:

	<u>FY 2024-25</u>		<u>FY 2025-26 through FY 2026-27</u>	
Revenue:	\$	0	\$	0
Costs:				
Direct	\$	148,650	\$	74,325
Indirect – Agency/Dept.	\$	0	\$	0
Indirect – County CAP	\$	0	\$	0
Total Costs	\$	148,650	\$	74,325
Net Costs	\$	148,650	\$	74,325
Recovered Indirect Costs	\$	0	\$	0

The Cost represents interest expense for Fiscal Year 2024-25 and interest expense for Fiscal Year 2025-26 through FY 2026-27.

Current Fiscal Year Budget Projections:

Current FY 2024-25 Budget Projection for Zone 1 - Unit 4211				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$9,580,000	\$9,580,000	\$9,580,000	\$0
Revenue	\$13,539,200	\$13,539,200	\$13,539,200	\$0
Net Cost	(\$3,959,200)	(\$3,959,200)	(\$3,959,200)	\$0

Sufficient appropriations will be available in the FY 2024-25 Adopted budget when recommendation no. 2 is approved by the Board.



Background

The Watershed Protection District (District) mission is to protect life, property, watercourses, watersheds, and public infrastructure from the danger and damage associated with flood and stormwaters. The District has jurisdictional authority for almost 950 miles of redline channels and is responsible for maintaining 216 miles of improved flood control facilities throughout the county, including 18 miles in the Ventura River Watershed, this region is known as Zone1. Although the District has no maintenance responsibility for the over 730 miles of non-District owned channels, taking steps to remove sediment and debris and restore flows in these channels falls within the District's authority to protect the community from the risk of flood hazards. This can include assisting private property owners in obtaining government funds and executing projects to expend these funds to preserve the function of the watercourse.

One federal entity that provides this type of funding is the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) through their Emergency Watershed Protection Program (EWPP). This program funds 75% of repair and mitigation project costs for private property owners if they have a sponsoring local entity. The remaining 25% can be funded with private funds, potential California Office of Emergency Services (CalOES) grants, or other funds. In the past, the District has been the project sponsor for EWPP projects along Santa Paula Creek, the Santa Clara River, and Coyote Creek.

Coyote Creek, from the Lake Casitas Dam to the confluence of the Ventura River is a redline channel but is not a District facility and is private property, except for the eastern most portion, adjacent to Foster Park, which is owned by the County Parks Department. District funds cannot be spent on this portion of Coyote Creek. The properties in this Foster Park Community along Coyote Creek are prone to flooding, particularly since many are in the floodway or floodplain that have been mapped by the Federal Emergency Management Agency (FEMA). One is directly in the floodway and has a bridge and some other structures that are restricting the creek flow.

In 2017 the District, at the request of then Supervisor Bennett, was the local sponsor for an NRCS funded project to complete some minor clearing of Coyote Creek adjacent to Camp Chaffee Road. The \$135,000 project was completed. The local residents contributed their portion of the project funds.



Discussion

The dwellings in the Foster Park Community were originally constructed as seasonal hunting and fishing lodges in the 1920's. Over time, the community has become a permanent residential community. The area is served by two roads - Skyhigh Drive a privately maintained road served by a County Service Area (CSA#3), and Camp Chaffee Road, a County maintained road since 1947.

Camp Chaffee Road includes a dry weather crossing over Coyote Creek which has historically succumbed to seasonal flooding. The storms of January 2023 brought significant rainfall to the Foster Park community. The dry weather crossing was inundated with approximately five feet of water, mud, and debris from Coyote Creek, preventing vehicular access over Camp Chaffee Road. The storms of 2023 and 2024 greatly over-taxed the capacity and flow of Coyote Creek, causing significant damage to several properties. This required the Sheriff's Office of Emergency Services (OES) to evacuate residents and to develop alternative strategies to provide emergency services to the area.

Options have been explored over the years to address the recurring flooding and to maintain primary and secondary access to the Foster Park community. After the January 2023 storms, the community expressed interest in finding a permanent solution to the Coyote Creek flooding issue and maintaining access in the presence of unpredictable weather events. A townhall meeting organized by District 1 Supervisor LaVere explained the complexities of dealing with clearing and maintaining the creek which is private property. An outcome of the meeting was the District applied for two NRCS grants to help abate the flooding issue.

The initial grant which the District applied for and received is to fund construction of a 3,300 foot long pilot channel within Coyote Creek to reduce the reoccurrence of flooding. The County was awarded a \$1.5 million grant for the construction project, which is 75% of the expected cost of the pilot project. When the project is complete, the District expects to apply for 75% of the remaining 25% of expenses from Cal OES. The remaining balance of \$94,000 is being funded by private property owners and by a \$25,000 contribution from the County General Fund approved by the Board of Supervisors on January 23, 2024.

The second grant, which the District has applied for is for the purchase of a property (Property) at 575 Casitas Vista Rd (APN's 060-0-260-070,-100,-090,-080,-060) owned by Dennis and Susan Ryder which sits primarily in the floodway and includes a bridge and other structures which will restrict the ability to complete the pilot channel project and also impede the flow in Coyote Creek. The requested grant from NRCS for this project is \$1.473 million, which includes the appraised value of \$1.273M and the cost of demolition at \$200K. When the project is complete, the District expects to apply for 75% of the remaining 25% from Cal OES. The balance of \$92,062 will be funded with District funds for environmental mitigation purposes, an allowable expense of the District. The grant



was approved on September 5, 2024. The expeditious purchase of this property is required, so that structures can be demolished, and the area prepared for the pilot channel construction.

On August 6, 2024, a Special Board Meeting was held to Adopt a Notice and Resolution of Intention to Purchase Real Property of Approximately 1.5 Acres of Land and Improvements Located at 575 Casitas Vista Road. This was approved by your Board. Earlier today, your Board considered purchase of the Ryder Property.

Financial Analysis

A cash flow analysis was performed to show the fiscal impact of all known financial obligations including the Coyote Creek Pilot Channel project. Zone 1 is expected to have net loss in fiscal year 2025 due to large grant related projects. Although the cash balance is not expected to end with a negative balance, the timing of revenue will have a significant impact on cash availability throughout the next few years. A General Fund loan would allow Zone 1 to proceed with the purchase of the property and meet other financial obligations until grant revenue is received. An assumed 5% interest rate was used.

Public Engagement

In addition to the town hall meeting previously mentioned, a second town hall meeting was held by Supervisor LaVere's office on May 29, 2024 to update the local residents on both projects status, to explain the temporary easements required for construction of the projects, and to remind the property owners adjacent to Coyote Creek of their on-going maintenance responsibilities.

Request:

The District is seeking to borrow from the County's General Fund for these two projects: \$1.5 million for the Coyote Creek Pilot Channel Project, and \$1.473 million for the purchase of the Ryder property and associated demolition. While these two projects will be reimbursed, Zone 1 has limited fund balance to cover the cost of the projects until reimbursement occurs. Therefore, District Zone 1 is seeking to borrow from the County's General Fund \$2.973 million for cash flow purposes for a maximum of two years to cover the project costs until NRCS and CalOES reimbursement is received. As grant funding is received, the loan will be repaid in full in Fiscal Year 2027. On July 23, 2024 the County's Financial Planning Committee concurred with staff's recommendation to borrow from the General Fund, with the \$1.473 million for the property purchase contingent on the award of the grant from NRCS.



Strategic Plan:

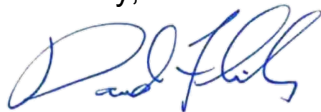
This item contributes to the Board of Supervisors (Board's) 2024-2027 strategic priority to provide:

- I. Healthy, safe, and resilient communities through
 3. Promoting community resilience and strengthen our ability to withstand and recover from disaster or adversity.

This item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions concerning this item, please contact the undersigned at (805) 654-2373.

Sincerely,



David Fleisch
Assistant Director

