



Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD/TTY- CALL 711

JOHN J. PRESLEIGH, DISTRICT ENGINEER

AGENDA

Santa Cruz County Sanitation District Seven Hundred Forty-third Regular Meeting

Thursday, August 17, 2017
4:45 P.M.

D. A. Porath Sanitation Facility
2750 Lode Street

Page #

1. **ROLL CALL**
2. **APPROVAL OF MINUTES OF AUGUST 3, 2017** 2-1 thru 2-5
3. **ORAL COMMUNICATIONS**
4. **SEWER SERVICE CHARGES - LOW INCOME PROGRAM:** Consider accepting and filing the subject report on sewer service charge low income programs.
 - a. Letter of the District Engineer 4-1 thru 4-3
5. **7th AVENUE & BROMMER STREET EXTENSION EMERGENCY SEWER MAIN REPAIR - R2-6393:** Consider accepting and filing an update on the subject project.
 - a. Letter of the District Engineer 5-1
6. **SANTA CRUZ COUNTY SANITATION DISTRICT 2017/18-2021/22 CAPITAL IMPROVEMENT PROGRAM:** Consider accepting and filing the Santa Cruz County Sanitation District Capital Improvement Program report.
 - a. Letter of the District Engineer 6-1
 - b. Capital Improvement Program Report HANDOUT
7. **WRITTEN CORRESPONDENCE:**
 - a. Letter of Cal OES, dated July 19, 2017, approving request for public assistance for February 2017 storm damage. 7-1 thru 7-4

8. **CLOSED SESSION AGENDA ITEM**

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Significant exposure to litigation pursuant to Government

Code §54956.9(d)(2): One potential case. HANDOUT

9. **ADJOURNMENT TO SEPTEMBER 7, 2017**

As a courtesy to those persons affected, please attend the meeting smoke and scent free. The Santa Cruz County Sanitation District complies with the Americans with Disabilities Act (ADA). The Board of Directors Chambers is located in an accessible facility. Persons with disabilities may request a copy of the agenda in an alternative format. If you need special assistance or accommodations to attend this meeting, please contact the District at 454-2160 (TDD/TTY- CALL 711) at least 72 hours in advance of the meeting, to make arrangements. If you have a question about an agenda item, please call District staff at 454-2160. Agenda documents, including those received after the publication of these agenda materials may be reviewed at the office of the District Secretary, Room 410 of the County Government Center Building at 701 Ocean Street, Santa Cruz, California.

PROCEEDINGS OF THE BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT

August 3, 2017
4:45 P.M.

D. A. Porath Sanitation Facility
2750 Lode Street
Santa Cruz, California

The seven hundred forty-second regular meeting of the Board of Directors of the Santa Cruz County Sanitation District is now in session pursuant to adjournment, by declaration of Chairperson Harlan.

PRESENT: Director Leopold, Director Friend, Chairperson Harlan, District Counsel, and the Secretary

APPROVAL OF MINUTES OF JUNE 8, 2017 -approved

Upon motion of Director Friend, duly seconded by Director Leopold, it is ordered by the Board, by unanimous voice vote, that the minutes of June 8, 2017, be and are hereby approved.

ORAL COMMUNICATIONS:

Soquel Pump Station Force Main Replacement Project:

The Sanitation Engineer, Kent Edler, discusses the progress on loan processing through the State Water Resources Control Board for the Soquel Pump Station Force Main Replacement Project.

Emergency Project on 7th Avenue and Brommer Street Extension:

Mr. Edler explains the District received two bids for emergency work on the sanitary sewer line north on 7th Avenue at Brommer Street Extension. Anderson Pacific Engineering, Inc., has performed the emergency work in the amount of approximately \$76,000.

Winter Ice Rink at Esplanade Park in Capitola:

Jacques Bertrand, an alternate director for the City of Capitola, thanks the District staff for working with the City of Capitola on their winter project. Capitola is scheduled to host a winter ice rink in the Capitola Esplanade Park, located in front of the Capitola Pump Station. District staff worked with the City of Capitola on emergency plans if sanitation equipment is needed to access the pump station during the winter months while the ice rink is set up.

Capitola Pump Station:

Chairperson Harlan addresses District staff, requesting to see a map of the hillside adjacent to the Capitola Pump Station and define property lines that belong to the Santa Cruz County Sanitation District.

PROPOSED ORDINANCE NO. 136, AMENDING TITLE 2, SECTION 2.04.140 OF THE DISTRICT CODE REGARDING CONTRACTING FOR CONSTRUCTION, MAINTENANCE, REPAIR, OR INDEPENDENT CONTRACTOR WORK

-Ord. #136 adopted

The Assistant District Engineer, Colt Esenwein, explains the subject item and recommends that the Board consider adopting Ordinance No. 136. Board and staff discussion ensues.

Upon motion of Director Leopold, duly seconded by Director Friend, it is ordered by the Board, by unanimous voice vote, that Ordinance No. 136, be and is hereby adopted, with the District Secretary directed to publish said ordinance, or a summary of said ordinance, once within fifteen days and take related actions as required.

PROPOSED ORDINANCE NO. 137, AMENDING TITLE 5 AND TITLE 7 (VARIOUS SECTIONS), OF THE DISTRICT CODE REGARDING SEWER CONNECTION FEES AND SEWER CONNECTIONS FOR ACCESSORY DWELLING UNITS

-Public Hearing set

Mr. Edler explains the subject item and recommends that the Board consider setting a public hearing on the adoption, in concept of Ordinance No. 137, Amending Title 5 and Title 7 (various sections) of the District Code regarding Sewer Connection Fees and Sewer Connections for Accessory Dwelling Units. Board and staff discussion ensues.

Upon motion of Director Leopold, duly seconded by Director Friend, it is ordered by the Board, by unanimous voice vote, that a public hearing on the adoption, in concept, of Ordinance No. 137, Amending Title 5 and Title 7 (various sections) of the District Code regarding Sewer Connection Fees and Sewer Connections for Accessory Dwelling Units, be and is hereby set for September 7, 2017, and the District Secretary directed to advertise the Notice of Public Hearing in accordance with Government Code.

APPROVAL OF PLANS, SPECIFICATIONS, AND ESTIMATE FOR HIDDEN BEACH WAY SEWER EXTENSION -approved

Mr. Edler explains the subject item and recommends that the Board consider approving the plans, specification, and engineer's estimate for Hidden Beach Way Sewer Extension and setting the bid opening for Thursday, August 31, 2017, at 2:15 p.m. in the County Department of Public Works conference room. He also notes that the Board letter should reflect the engineer's estimate of \$170,000 not \$373,000 which is incorrect. Further, the District Secretary is directed to advertise a "Notice to Contractors" pursuant to Public Contracts Code, Section 20783. Director Friend states for the record, that the correct engineer's estimate for the project is \$170,000.

Upon motion of Director Friend, duly seconded by Director Leopold, it is ordered by the Board, by unanimous voice vote, that the plans, specification, and engineer's estimate for Hidden Beach Way Sewer Extension be and is hereby approved and the bid opening set for Thursday, August 31, 2017, at 2:15 p.m. in the County Department of Public Work's conference room. Further, the District Secretary is directed to advertise a "Notice to Contractors" pursuant to Public Contracts Code, Section 20783.

HIDDEN BEACH PUMP STATION CONCRETE REPAIRS - AWARD OF CONTRACT
-approved

Mr. Edler explains the subject item and recommends that the Board consider rejecting the bid from Cal West Construction General Building, Inc., and accepting the bid of Speiss Construction Co., Inc., in the amount of \$394,775.

Upon motion of Director Leopold, duly seconded by Director Friend, it is ordered by the Board, by unanimous voice vote, that the bid from Cal West Construction General Building, Inc., be and is hereby rejected and the bid of Speiss Construction Co., Inc., in the amount of \$394,775, be and is hereby accepted, with the District Engineer authorized to sign said contract on behalf of the District. Further, the contract change order policy for this project is approved and the District Secretary directed to process said contract and take any other related actions necessary.

EMERGENCY SEARS CIRCLE FORCE MAIN REPAIR, R2-6377 -ratified

The Operations Manager, Beatriz Barranco, explains the subject emergency force main repair work and recommends that the Board find that the emergency did not permit a delay resulting from a competitive solicitation of bids and that the action was necessary to respond to the emergency. She also recommends that the payment to Albert's Plumbing for the emergency force main repairs, be ratified.

Upon motion of Director Leopold, duly seconded by Director Friend, it is ordered by the Board, by unanimous voice vote, that the emergency did not permit a delay resulting from a competitive solicitation of bids, and the action was necessary to respond to the emergency. Further, the payment of \$48,000 to Albert's Plumbing for the emergency force main repairs be and is hereby ratified.

**SANTA CRUZ HARBOR TRANSMISSION MAIN REHABILITATION PROJECT
UPDATE AND REQUEST FOR AMENDMENT TO CONTRACT WITH QUINCY
ENGINEERING** -approved

Mr. Edler explains the subject item to the Board and recommends that they accept and file the Technical Memorandum from Quincy Engineering and increase the contract compensation by \$28,500, as outlined in Attachment C. Board and staff discussion ensues with Director Leopold asking District to consider design changes to include the secondary force main, and Director Friend asking District to consider additional design changes and drawings that are aesthetically pleasing.

Upon motion of Director Leopold, duly seconded by Director Friend, it is ordered by the Board, by unanimous voice vote, that the Technical Memorandum from Quincy Engineering be and is hereby accepted and filed; and the contract compensation increased by \$28,500, as outlined in Attachment C, for a total not to exceed amount of \$118,500. Further, the District Engineer is authorized to sign the amendment on behalf of the District; and the District Secretary directed to process the amendment and taken any other related actions necessary.

WRITTEN CORRESPONDENCE

The Board reviews the following written correspondence:

- Letter of Ruth Segal, in support of fair sewer rates and protesting the repeal of low water use rates;
- Letter of Mrs. Lucretia Denhardt in support of fair sewer rates and protesting the repeal of the low water use rates;
- Letter of Cal OES, dated July 12, 2017, approving request for public assistance (January 2017 Storms);
- Letter of Cal OES, dated July 17, 2017, approving request for public assistance (Late January 2017 Storms).

CLOSED SESSION AGENDA ITEM

Chairperson Harlan now adjourns the meeting to a closed litigation session, after which the Board reconvenes in open session. District Counsel announces that there is nothing to report out.

PROCEEDINGS OF THE BOARD - SCCSD
AUGUST 3, 2017
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ADJOURNMENT

There being no further business to come before the Board, Chairperson Harlan hereby adjourns this meeting of the Board to the next scheduled meeting, to be held Thursday, August 17, 2017, at 4:45 p.m., at the D. A. Porath Sanitation Facility meeting room, 2750 Lode Street, Santa Cruz, California.


Secretary



Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

JOHN J. PRESLEIGH, DISTRICT ENGINEER

AGENDA DATE: AUGUST 17, 2017

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: SEWER SERVICE CHARGES - LOW INCOME PROGRAM

Members of the Board:

On June 8, 2017, your Board directed the District to prepare a report by August 2017 regarding options for discount programs for low income residents. The District has researched discount programs and the findings are summarized below.

Eighty-three Water/Wastewater District websites associated with the California Association of Sanitation Agencies (CASA) were researched. Of the eighty-three agencies reviewed, six have or have had discount programs.

- The City of Burbank eliminated their discount program for sewer and refuse services as of July 1, 2013. This program was phased out over three years with the final elimination occurring on July 1, 2016. They had previously funded the program utilizing General Fund monies. The City of Burbank attempted to do a special tax that required two-thirds voter approval. It failed to pass and led to the elimination of the program.
- The remaining agencies with discount programs funded their programs with General Fund money.

A query was also sent to fifty-eight counties that are affiliated with the County Engineers Association of California (CEAC) for feedback regarding discount programs. Of the nine responses we received, none of the counties offer a discount program. Further the counties that responded identified the following funding sources that are in compliance with Proposition 26 and Proposition 218:

- General Fund contributions.
- Fees from late or delinquent sewer payments for agencies that utilize monthly billing and enforce their own collections. (This does not work for Santa Cruz County since we collect our fees through the tax roll.)
- Instituting a special tax to fund the program that would require a 2/3 voter approval of all the affected rate payers through a ballot measure.
- Monies from rents or leases of agency owned property (including cell tower leases).

Additionally, at a recent training provided by Rural Community Assistance Corporation (RCAC) that involved rate setting, the presenter, Mr. John Van den Bergh, was posed with the question of how an agency, who falls under Proposition 218, can legally fund a discount program. The presenter has only seen this accomplished through the contributions of General Fund monies.

The City of Santa Cruz also recently published a "Frequently Asked Questions" section in their newsletter that is sent out to customers. They highlighted the question, "Do you offer discounts for customers on limited or fixed incomes?" The answer to this question from the City was, "Proposition 218 governs rate making for municipal services such as water and wastewater. Prop 218 does not allow water districts to set fees higher than is required to cover the cost of providing the service. This restriction prevents us from using rate revenues generated from one group of customers with limited incomes."

During our research into discounts, we did locate Assembly Bill 401 (Dodd, 2015) in which the State of California is working to design the first statewide water affordability program. Under AB 401, the State Water Board has been directed to develop a plan for a statewide low-income rate assistance (LIRA) program. Researchers from UCLA and the State Water Board are currently in the process of creating this plan, which needs to address funding, implementation, and administration. The State Water Board must submit their report and recommendations to the Legislature by February 1, 2018. An inquiry was made to the State Water Board to find out if wastewater is being included in the formation of their plan. In a published summary of input received at public meetings held in the fall of 2016 by the State Water Board, it was stated that the public, at large, did request that wastewater be included in the final program. The response from the State Water Board confirmed that interest has been expressed for a wastewater rate assistance program and there is a potential that this will be addressed in the future; however the current scope of the State Water Board analysis and AB 401 is focused on a water rate assistance program.

BOARD OF DIRECTORS, SCCSD
AUGUST 17, 2017
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The Fact Sheet from the State Water Board regarding this issue can be found at:
http://www.waterboards.ca.gov/water_issues/programs/hr2w/docs/data/fs020817_asdw_act.pdf

The Low-Income Water Rate Assistance Program public meetings Summary of
Input Received during the Fall of 2016 can be found at:
http://www.waterboards.ca.gov/water_issues/programs/conservation_portal/assistance/docs/summary_meetings_fall2016.pdf

Based on the research conducted, as well as input from other counties, a discount
program cannot be funded by other rate payers and must be funded through outside funds.
District staff will continue to monitor new bills introduced into legislature which addresses water
subsidies.

It is, therefore, recommended that your Board accept and file this report.

Yours truly,



JOHN J. PRESLEIGH
District Engineer

AM:dls/b1905



Santa Cruz County Sanitation District

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(831) 454-2160 FAX (831) 454-2089 TDD/TTY- CALL 711

JOHN J. PRESLEIGH, DISTRICT ENGINEER

AGENDA DATE: AUGUST 17, 2017

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street
Santa Cruz, California 95060

SUBJECT: 7th AVENUE & BROMMER STREET EXTENSION
EMERGENCY SEWER MAIN REPAIR - R2-6393

Members of the Board:

As previously reported to your Board, District staff discovered a sewer main obstruction, during routine CCTV operations, which has collapsed and was causing wastewater to surcharge in an adjacent manhole. Due to the severity of the problem with the sewer main, the District immediately contacted three contractors to inquire about repairing the site.

Anderson Pacific Engineering Construction, Inc. (Anderson Pacific), was selected to make the repairs, which included removing and replacing 120 feet of 8-inch sewer line. The bid provided by Anderson Pacific was in the amount of \$68,523.

Due to wet soil conditions, the decision was made in the field to backfill the pipe with a concrete slurry rather than soil. This condition will result in added costs for the project. The work has been completed and staff is waiting for final invoices from Anderson Pacific.

It is therefore recommended that the Board of Directors take the following actions:

1. Accept and file this project update on the 7th Avenue & Brommer Street Extension Emergency Sewer Main Repair; and
2. Direct staff to return to your Board for approval of final costs once all invoices have been received from the contractor.

Yours truly,


JOHN J. PRESLEIGH
District Engineer

KE:dls/B1906

5-1



Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

JOHN J. PRESLEIGH, DISTRICT ENGINEER

AGENDA DATE: AUGUST 17, 2017

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: SANTA CRUZ COUNTY SANITATION DISTRICT
2017/18-2021/22 CAPITAL IMPROVEMENT PROGRAM

Members of the Board:

Submitted for your review and approval is the Santa Cruz County Sanitation District's proposed 2017/18-2021/22 Capital Improvement Program (CIP) which identifies and prioritizes needs and project costs over the next five years. The CIP also describes planned improvements to the infrastructure which will serve the District's ratepayers in an efficient and cost effective manner.

Since worn out and antiquated facilities must be repaired or replaced in a timely manner in order to protect the public health and safety, the CIP will help identify and describe specific sanitary sewer improvement projects for pump stations, transmission lines and collector lines along with their estimated costs. It will help prevent sudden shifts in the debt service requirements, keep the Board and the public informed about future projects, facilitate coordination with other County projects, and match capital needs with the budget. This report may also help with obtaining grants and may improve the District's credit rating.

Throughout the report, the various projects have been color coded to identify the jurisdiction of the project. County Supervisorial District 1 (Director Leopold) is indicated in green, City of Capitola (Chairperson Harlan) in purple, County Supervisorial District 2 (Director Friend) in blue, and County Supervisorial District 3 (City of Santa Cruz - no SCCSD Director) in peach. Overlapping Supervisorial Districts with the City of Capitola are noted with stripes of each color, and projects which include all three Directors' districts are indicated with pink and grey.

It is therefore recommended that your Board accept and file the Santa Cruz County Sanitation District Capital Improvement Program report.

Yours truly,

JOHN J. PRESLEIGH
District Engineer

TLP:B1824
Enclosures

6-1



RECEIVED

JUL 31 2017

Santa Cruz County
Sanitation District

July 19, 2017

John Presleigh
District Engineer
Santa Cruz County Sanitation District
701 Ocean Street Room 410
Santa Cruz, 95060-0000

ROUTED TO:		
<input checked="" type="checkbox"/> Dist. Eng.	<input checked="" type="checkbox"/> Asst. D.E.	_____
<input type="checkbox"/> Oper. Mgr.	<input checked="" type="checkbox"/> San. Eng.	_____
<input type="checkbox"/> Env. Pro. Co.	<input type="checkbox"/> Construction	_____
<input checked="" type="checkbox"/> Fiscal	<input checked="" type="checkbox"/> Next Agenda	*rec'd original

Subject: Approval of Request for Public Assistance
FEMA-4308-DR-CA February 2017 Storms
Cal OES ID: 087-91040 FEMA ID: 087-UBLM8-00
Subrecipient: Santa Cruz County Sanitation District
Cal OES Log: 633573.1 FEMA Log: None

Dear John Presleigh:

The California Governor's Office of Emergency Services (Cal OES) is pleased to inform Santa Cruz County Sanitation District (subrecipient) your Request for Public Assistance for the February 2017 Storms has been approved by the Federal Emergency Management Agency (FEMA). Cal OES requests you use the Cal OES ID number noted above when corresponding with Cal OES for this disaster. All correspondence should be addressed to:

Mr. David Gillings, State Public Assistance Officer
California Governor's Office of Emergency Services
Recovery Section, Public Assistance Division
3650 Schriever Avenue
Mather, California 95655
ATTN: FEMA-4308-DR-CA

Incident Period

Eligibility of Public Assistance costs, as a result of the February 2017 Storms, will be based on events that occurred within the incident period of February 1, 2017, through February 23, 2017. Pursuant to Title 44 of the Code of Federal Regulations (44 CFR) section 206.202, any known damage that occurred within the incident period must have been reported to Cal OES within 60 days of the Recovery Scoping Meeting, formerly known as the Kickoff Meeting, to be eligible for federal assistance.

Deadline to Identify Projects

Project Worksheets (PW) are the reimbursement vehicles used to fund disaster projects. PWs are used to document the location, damage description and dimensions, scope of work, and cost estimate for each project. The PW is the basis for funding and all cost estimates and damages must be identified within 60 days following the Recovery Scoping Meeting for each of those projects identified on the subrecipient's List of Projects. Damages and costs must be estimated when final supporting documents

7-1

are not yet available. Subrecipient is strongly encouraged to submit PW information as soon as possible to expedite the assistance and funding process. Failure to identify and submit PW information in accordance with these parameters may jeopardize project funding or place additional work requirements on subrecipients to ensure reimbursement of all project costs. No project funding or payment is available for a PW until it is obligated.

Project Completion Deadlines

In accordance with 44 CFR section 206.204, FEMA requires all projects be completed within approved timeframes or funding may be jeopardized. It is imperative subrecipients submit a time extension request for any project that will not be completed by the current approved project deadline. Further, time extensions will only be granted by Cal OES or FEMA if subrecipient can demonstrate extenuating circumstances or unusual project requirements beyond its control that prevent the successful completion of the approved scope of work by the current approved project deadline. Please be advised FEMA and Cal OES will examine these requests closely and time extensions will only be approved for extenuating circumstances. To assist you in determining whether your agency requires a time extension, please refer to the following time limitations for the completion of work associated with this disaster:

DR-4308 Emergency Work Deadlines (Categories A and B)		DR-4308 Permanent Work Deadlines (Categories C-G)	
Regulatory Deadline	Cal OES Time Extension Authority	Regulatory Deadline	Cal OES Time Extension Authority
October 1, 2017	April 2, 2018	October 1, 2018	April 1, 2021

As delineated in the table above, Cal OES is able to grant time extensions through October 1, 2018, for emergency work, and April 1, 2021, for permanent work. FEMA must approve time extensions for any project that will be completed after these dates. Time extension requests must include the extenuating circumstances causing the delay, the PW number, category of work, a construction schedule, an estimated project completion date, as well as dates and provision of previously approved time extensions. Time extension requests should be submitted to Cal OES prior to the established deadline.

Compliance with Federal, State, and Local Environmental and Historical Laws

Initiating a project prior to FEMA’s review for compliance with Federal environmental and historic laws and executive orders may result in jeopardizing funding. FEMA will complete any required documentation and interagency consultations. Subrecipients must obtain all necessary permits required for all projects, and must comply with any federal, state or local environmental and historic laws or permit requirements.

Change in Scope of Work or Additional Funding

Any change to the scope of work and/or significant increase in project funding must be requested in writing through Cal OES. A version to the original PW will be prepared by Cal OES based on the eligible work in the documentation provided with the request. The draft PW will be transmitted by Cal OES to FEMA for approval. It is imperative subrecipients wait for FEMA’s approval before

initiating any changes to the approved scope of work. Such work may be subject to review for compliance with various federal environmental and historic preservation laws and regulations. Any additional work performed prior to approval by FEMA and completion of these reviews may jeopardize funding for the entire project.

Administrative Costs

Pursuant to 44 CFR Part 207, Section 324 Management Costs and Direct Administrative Costs, subrecipients can claim direct administrative costs through the PW process for those disasters declared on or after November 13, 2007. Direct administrative costs now include costs that can be tracked, charged and accounted for directly to a specific project. These tasks can include, but are not limited to, staff time spent to complete initial, interim and final inspections; preparing PWs; collecting and organizing documentation; and attending certain meetings with Cal OES and FEMA. Costs considered indirect costs for any other federal award or activity cannot be charged to a project. In addition, Cal OES will continue to provide a 10 percent administrative allowance on the Cal OES cost-share amount.

Net Small Project Overrun (NSPO) Guidelines

Pursuant to 44 CFR section 206.204(e)(2), Public Assistance subrecipients may appeal for additional small project funding within 60 days of the completion of work on their last small project. The small project threshold for this event is \$123,100. When submitting an appeal for an NSPO, you must include a cost overrun summary listing all small project PWs, actual costs to complete the approved scope of work, and project completion dates. Furthermore, you must be prepared to supply all required supporting documentation upon request.

Appeal Process

In accordance with 44 CFR section 206.206, you have the right to appeal any determination made by FEMA. Subrecipients must submit an appeal, through Cal OES, within 60 days of the certified mail return receipt sent by FEMA that provides notification of the FEMA determination. Cal OES then has an additional 60 days to review the appeal, make a recommendation, and transmit the appeal to FEMA. FEMA regulations require the subrecipient to provide a documented justification in support of their position, the monetary figure in dispute, and the provision of federal law, and the regulation or policy with which the subrecipient believes the initial action was inconsistent. Subrecipients are encouraged to submit, at a minimum, the above documentation, as well as any additional documentation needed to best support the appeal argument. All known relevant information must be submitted with the first appeal. Failure to provide this information will affect Cal OES' ability to support the appeal and still meet FEMA's regulatory deadlines.

Funding Process

Upon obligation of federal and state funds, you will be notified by Cal OES via grant obligation notification letters. These obligation letters will describe the state and federal funding processes. Questions regarding payments of approved funding should be directed to Cal OES Grants Processing Unit at (916) 845-8110.

John Presleigh
Page 4
July 19, 2017

Insurance

Pursuant to 44 CFR section 206.252, a subrecipient is required to obtain and maintain insurance on insurable facilities as a condition of receiving Public Assistance funding from FEMA. This requirement is waived when eligible costs for an insurable facility do not exceed \$5,000. FEMA will notify the subrecipient of the type and amount of insurance required. However, FEMA cannot require greater types and extent of insurance than is certified as reasonable by the State Insurance Commissioner. FEMA Policy 206-086-1, Public Assistance Policy on Insurance, describes these requirements in detail.

Procurement

For all approved, federally funded and/or federally financed projects, subrecipients are required to follow the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, at 2 CFR Part 200, as adopted by the Department of Homeland Security at 2 CFR Part 3002, when using the federal financial assistance to procure property and/or services.

In conclusion, expediting the processing of project worksheets and reimbursements involves a high level of proactive participation. It is imperative that you coordinate with your staff and designated Cal OES/FEMA personnel to submit the list of projects, conduct site inspections, and supporting documentation in a timely manner in order to avoid unnecessary delays in reimbursements that can ultimately affect your jurisdiction's recovery. If you have any questions related to this correspondence, please contact me at (916) 845-8200.

Sincerely,

THE CAL OES RECOVERY TEAM