



Consent Item B

STAFF REPORT

TO: Board of Commissioners

FROM: Chris Munson, Facilities Manager
Natalie Teeter, Planner/Analyst

DATE: May 30, 2023

SUBJECT: **Revetment and Jetty Repair Budget Adjustment**

Recommendation / Proposed Motion

- **Recommendations:**

1. Receive staff report and review proposed budget adjustment.
2. Allocate an additional \$50,000 to the Revetment, Major Maintenance line item and decrease the Facilities Reserves in an equal amount. Authorize Harbor Director, or designee, to enter a contract with Moffatt & Nichol in an amount not to exceed \$50,000.

- **Motion:** Move staff recommendations.

District Major Objective/Goal

Objective #1 – Sustain and enhance the Harbor's finances -- provide for needed infrastructure, expand revenue sources, and pay down long-term liabilities.

Objective #2 – Maintain and enhance a boater friendly atmosphere at PSL for both commercial and recreational boaters.

Policy Implications

- None at this time.

Fiscal Implications / Budget Status

The 2022-23 FY budget provides \$40,000 to complete environmental assessments necessary for obtaining permits and project implementation grants. The budget adjustment would increase this to \$90,000. Construction costs for the project are estimated at \$3-4 million.

Alternatives Considered

The following actions were considered but are not recommended at this time:

- Abandon the current Hazard Mitigation Grant Program application.

Background

In October 2021, Moffatt & Nichol provided the Coastal Engineering Analysis report and associated repair concepts for the revetment and jetty. These initial concepts brought the repair plan to about 30% of completion. These concepts were used to begin the CEQA determination, which is currently under development by SWCA and Tenera. The District planned to complete CEQA then revisit to the repair plan to get to a point where it could apply for grants.

After the January 2023 storms which impacted the Port, FEMA declared the event a Major Disaster, which allowed recovery for damages sustained in the storms. As part of the disaster event, the California Office of Emergency Services (Cal OES) released a Hazard Mitigation Grant Program (HMGP) opportunity, which prioritized funding to those areas covered under the declaration.

District staff submitted a Notice of Interest (NOI) for the grant program, which would fund \$2,850,000 or 75% of the revetment and jetty repairs and improvements. The NOI is a type of pre-application prior to formally applying. Cal OES determined that the project is eligible.

Discussion

The HMGP funding can be used for both phased and unphased projects. For the past few years, staff has been pursuing an unphased grant since there is no guarantee of additional funding for later phases if the District was awarded a grant for an initial phase. To be eligible for the unphased grant, the project plans must be at least 60% complete and the majority of CEQA work done. The District has nearly met these requirements, but further development of the repair plans has not been budgeted. These requirements must be met before August 4th, 2023, to complete the grant application.

While Cal OES annually releases HMGP opportunities, this opportunity is unique since it is prioritizing the counties under the FEMA declaration and aims to mitigate future damages of a similar event. The proposed project would meet both priorities. The grant is still expected to be competitive, but chances are likely greater due to these priorities.

The federal match is a maximum of 75%, meaning the District will need to match 25% in state/local funding or use District funds or in-kind contributions. Based on the updated project estimate, this 25% match would be \$950,000. Staff has identified some grant opportunities which could fund this remaining 25%.

The costs associated with the current budget increase as well as other pre-award costs may be eligible for reimbursement under the terms of the grants. While the cost of advancing the repair plans is significant, the plans will need to be completed regardless of this current grant opportunity to receive HMGP funding, and this opportunity is shifting the timing for completion.

District staff contacted Moffatt & Nichol to get a preliminary estimate of time and costs associated with updating the plans to 60%. They anticipate 4-5 weeks and will not exceed \$50,000 to complete the plans. If authorized soon, they have said they can have it completed prior to August 4th. Postponing authorization until the regular meeting will not allow time to meet the August 4th deadline.

Staff Recommendation:

Staff recommends approving the budget adjustment and authorizing the execution of a contract with Moffatt & Nichol for an amount not exceeding \$50,000.