



August 4, 2025

TO: Finance Advisory Committee (FAC)
FROM: Ron Munds, General Manager
SUBJECT: **Agenda Item 6 – 08/04/2025 FAC Meeting**
Cabrillo Stormwater Basin Update

STAFF RECOMMENDATION

Receive report and provide comments.

Background

In January 2023, the Cabrillo stormwater basin experienced a failure on the northeast side of the basin wall. Repair work on the area that failed began immediately after the disaster with temporary repairs completed in April 2023. The repairs included the rebuilding of the portion of the basin that failed then relining the entire north wall with 60 mil polyethylene liner material.

The District's consulting Geotechnical and Civil engineers recommended that permanent repairs would include the construction of a 600-foot-long "slurry wall" along the entire north side of the basin to prevent any future under seepage. The District contracted Civil engineers have developed 60% design documents which will act as the foundation to any future work on the project.

FEMA 406 Hazard Mitigation Grant Process Summary

The FEMA 406 Hazard Mitigation Grants are for facilities that have been damaged in a declared national disaster. In the District's case, only the portion of the basin wall that was damaged is eligible for reimbursement under the disaster declaration. The application process is complicated, and applicants must file for financial assistance based on the timing of disaster response and by type of facility(ies) damaged.

There were two FEMA categories that the District qualified for. The first was for a Category B project, this is for emergency protective measures to prevent further damage. Under Category B, eligible expenditures were for the period from January 9, 2023, to February 28, 2023. Eligible expenses made during this period are 100% reimbursable. The second request was considered a Category D project which is for the repair of water control facilities, the stormwater basin in the District's case. Reimbursement for this category is 75% of the eligible costs.

Ineligible costs for the District included the neighborhood assistance provided for debris removal and disposal, roll off services, porta potties, administrative costs and some consultant fees.

Cost Summary to Date

To date, the District has spent \$848,579.00 on the Vista de Oro disaster. This amount includes both eligible and ineligible costs. The following table shows the cost submitted to FEMA and the anticipated reimbursement if approved:

The cost reimbursement request for the Category B project was based on actual costs incurred between January 9, 2023, and February 28, 2023. The estimate for the Category D project was based on 2023 dollars and the best available information available at the time. A revised estimate was provided in 2025 dollars which indicates Category D project will cost approximately \$856,130.00.

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FEMA Summary	Project Cost	Federal Cost Share	
Cost reimbursement request	\$ 62,636.00	\$ 62,636.00	Category B Project
Estimate	\$ 586,892.00	\$ 440,169.00	Category D Project
Total	\$ 649,528.00	\$ 502,805.00	

Assuming the District uses the \$502,805.00 of the anticipated federal cost share (both Category B & D) for the east basin permanent repairs, the District's cost to complete that portion of the project would be \$353,325.00.

Revised project cost - 2025	\$ 856,130.00
Federal Cost Share	\$ 502,805.00
District Liability	\$ 353,325.00

Cal OES 404 Hazard Mitigation Fund Request

As noted above, the Geotechnical and Civil engineers recommended that a slurry wall be installed across the entire north basin wall. There is a separate funding mechanism available called the 404 Hazard Mitigation Program. The program is funded by the federal government but administered by Cal OES. The purpose of the program is to provide funding for projects to reduce or prevent loss from future disasters. Staff started working with Cal OES in June 2023 on an application for the grant funds for the remaining work on the north Cabrillo basin wall. The program will pay 75% of a project's estimated cost. This application was completed and submitted in February 2025. The following is the summary of costs and potential reimbursement from this program.

Cal OES 404 Mitigation Fund Request		Federal Cost Share
Project cost estimation	\$ 1,410,574.00	\$ 1,057,931.00
		District Liability
		\$ 352,643.00

Project Summary

The total cost for repairs to the Cabrillo Basin's north wall is estimated at \$2,266,704.00. If the funding sources are approved by FEMA and Cal OES, the net cost to the District would be \$705,968.00.

Project Summary		
Total Project Costs		\$ 2,266,704.00
Total Project Costs After Funding		\$ 705,968.00

Financial Impact

Fund 800 currently has the following cash balances:

Fund 800 Cash Summary	
Reserves	\$ 65,000.00
Unassigned	\$ 425,345.00
Total	\$ 490,345.00

Fund 800 did secure a \$300,000 interfund loan from Fund 500 which will be paid off on March 1, 2028. The balance due on the loan is approximately \$159,700.00.

If the outside funding is secured (404 & 406 funds), the Board will need to consider options for the project cost differences identified above. Because of the different program funding sources, the project will need to be constructed in two phases. If the 404 and 406 funding sources are not approved, staff will need to look for other funding sources including grants and/or loans. Staff will return to the FAC and Board with options when there is more clarity on 404 and 406 funds availability.