



COUNTY *of* **VENTURA**

Financial Planning Committee

July 23, 2024 at 4:00 pm or Soon Thereafter

**County Government Center
Hall of Administration
Channel Islands Conference Room – 4th Floor**

AGENDA

1. Public Comment
2. Minutes of the March 26, 2024 Financial Planning Committee Meeting
3. Watershed Protection District – Zone 1 Request for \$2,973,000 Loan from General Fund
4. Committee Member Comments on Any Other Items



COUNTY of VENTURA
County Executive Office
MEMORANDUM

DATE: July 23, 2024
TO: Financial Planning Committee
FROM: Bryan Friedman, County Executive Office

SUBJECT: March 26, 2024 Financial Planning Committee Meeting Minutes

Attendance:

Committee Members Present:

Kelly Long, Board of Supervisors
Janice Parvin, Board of Supervisors
Sevet Johnson, Chair, County Executive Office
Jeff Burgh, Auditor-Controller
Tiffany North, County Counsel
Sue Horgan, Treasurer-Tax Collector

County Staff

Scott Powers, County Executive Office
Bryan Friedman, County Executive Office
Kathleen O'Keefe, Auditor-Controller's Office
Cynthia Spensieri, Auditor-Controller's Office

Chair Sevet Johnson called the meeting to order at 6:04 p.m. on April 26, 2024.

1. Public Comment

No Public Comments were submitted.

2. Approval of Minutes of the February 6, 2024 Financial Planning Committee Meeting

Supervisor Parvin made a motion to approve the minutes and Mr. Burgh seconded the motion. The motion passed.

3. Approval of a three-year amended and restated \$51 million Revolving Credit Facility (RCF) with Wells Fargo

Mr. Powers introduced the \$51 million Revolving Credit Facility amendment, discussed how we have utilized the RCA, or the prior Tax Exempt Commercial Paper Facility, for capital

borrowing over the last 30 years or so. He went on to discuss the Request for Proposal that KNN, our financial advisor, conducted. We received 5 responses but the two of primary consideration were Bank of America and Wells Fargo. When considering interest costs and unutilized fees Wells Fargo offered the lowest overall cost.

Supervisor Long inquired as to what caused the significant increase in spread from the existing facility. Mr. Burgh indicated that it was just the nature of the current market and the Request for Proposal ensured we received the best solution available.

Ms. Horgan made a motion to approve the recommendation and Jeff Burgh seconded the motion. There was no opposition and the motion passed.

4. Committee Member Comments on Any Other Items

Ms. Johnson asked the committee if there were any additional comments, and none were noted.

The meeting was adjourned at 6:08 p.m.



**County of Ventura
County Executive Office
MEMORANDUM**

DATE: July 23, 2024

TO: Financial Planning Committee

FROM: Scott Powers, County Chief Financial Officer

SUBJECT: Watershed Protection District Zone 1 Request for \$2,973,000 Loan from General Fund

Recommendation:

Approval of \$2,973,000 Cash Flow Loan from the General Fund to Watershed Protection District 1, for a term of up to 3 years, with interest to accrue at the Treasury Pool rate.

Background:

Please see attached memo for background and detail for this request provided by the Public Works Agency (PWA).

Discussion Summary:

Watershed Protection District – Zone 1 intends to apply for funding through the U.S. Department of Agriculture’s Natural Resources Conservation Service (NRCS) – Emergency Watershed Protection Program and the California Office of Emergency Services (CalOES) for purposes of constructing a pilot channel, reducing flooding recurrence within Coyote Creek of the Foster Park Community, and to purchase a property at 575 Casitas Vista Rd.

This \$2,930,000 cash flow loan from General Fund will offer financial stability while the district waits for reimbursement from NRCS and CalOES. It is anticipated that this loan will be fully repaid in or before Fiscal Year 2026-27.

Central Services
Joan Araujo, Director

Engineering Services
Vacant, Director

Roads & Transportation
Anitha Balan, Director

Water & Sanitation
Vacant, Director

Watershed Protection
Jeff Palmer, Director

Date: July 15, 2024

To: Financial Planning Committee

From: David Fleisch, Assistant Director

Via: David Sasek, Interim Agency Director 

Subject: Watershed Protection District Zone 1
Request for Multi-Year Loan from the General Fund

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 Zone 1. 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 that 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 feet 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. While this grant has not been approved as of this date, the District expects approval shortly. The expeditious purchase of this property is required, so that structures can be demolished, and the area prepared for the pilot channel construction.

Financial Analysis

Exhibit 1 reflects a cash flow analysis that 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 has been 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:

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.



David Fleisch, P.E.
Assistant Director

Attachments:

Exhibit 1 Financial Analysis Spreadsheet



