



Agenda Report

February 6, 2012

TO: Honorable Mayor and City Council
FROM: Assistant City Manager
SUBJECT: TERMINATION OF DECLARATION OF LOCAL EMERGENCY

RECOMMENDATION:

It is recommended that the City Council terminate the Declaration of Local Emergency issued on December 5, 2011.

BACKGROUND:

The City of Pasadena experienced one of the worst windstorms in history which began on the evening of November 30th and continued through December 1, 2011. It was estimated that these hurricane winds ranged from 72 to 80 miles per hour during the height of the storm and caused significant damage to the city. Pursuant to Chapter 2.370 of the Pasadena Municipal Code, the City Manager, as the Director of Emergency Services, issued a Declaration of Local Emergency on December 1, 2011. On December 5, 2011 the City Council adopted a resolution ratifying the City Manager's Declaration of Local Emergency. On January 11, 2102 Public Works staff completed the cleanup of the right-of-way, the last element whereby the response exceeded the resources of the "Local Agency". At this time staff is recommending that the City Council terminate the Local Emergency.

The following highlights some of the major damages sustained as a result of the windstorm.

Power Utility Damages:

The city's power system was severely damaged as a result of this storm. Standby utility crews were established by 3:00 pm on the afternoon of November 30th in anticipation of the storm. Large, mature trees fell from the force of the winds causing much of the downed power lines. Access by the utility trucks to the down power lines was impaired by the fallen street trees. During the windstorm, only one power line remained in service to supply power to the city. An estimated 6,330 or 10% of the customers lost

power as a result of the storm. A total of 19 primary circuits (the "backbone") were affected throughout city. Approximately 100 transformers needed to be repaired as a result of damages sustained. A total of 30 utility poles required temporary repair and then permanent replacement.

Damages to Trees and Street Access

The Public Works Department logged in 6,400 incident calls of which 22% were received within the first 48 hours. All of the city's 325 miles of streets had to be cleared of fallen trees, tree limbs, utility poles and utility wires. Clearing the major streets so that emergency access was available was the top priority for the department. Street light poles and traffic signal poles designed to withstand 100 mph winds, were broken throughout the city and required immediate repair. Approximately 1,500 mature street and park trees were knocked down, uprooted or made unstable. An additional 525 mature street and park trees are severely damaged and require removal. There are also about 500 stumps that have to be removed and 100 plus locations requiring sidewalk repair. Approximately 50,000 tons (100 million pounds) of trees, limbs, and debris collected from City streets. To facilitate the cleanup staff established Green waste drop-off locations and recycled 100 percent of the green material collected.

City Buildings and Facilities

Damage assessment on city owned buildings identified 25 buildings and 16 park facilities that were damaged and required some form of repair. Structural damage was also identified on the power plant cooling tower and duct work. The Sunset Reservoir roof was damaged causing an emergency shutdown which required staff to drain the reservoir. Minor damage to roofs at three other water reservoirs was also reported.

Funding Strategy

When a city like Pasadena experiences a natural disaster such as the windstorm, there is a certain expectation that reimbursement for emergency work will come from either the California Emergency Management Agency (Cal EMA) or from the Federal Emergency Management Agency (FEMA) or from both. Following the City's Emergency Operations Plan, the City Manager declared a state of emergency on December 1st. The State of California issued their state of emergency on December 10, 2011. Representatives from both Cal EMA and FEMA were in Pasadena on December 9th to begin their damage assessments. It was unfortunate that per the guidelines of FEMA, the city's damages estimated at \$17 million did not qualify for reimbursement. Staff coordinated with other San Gabriel Valley cities to launch a campaign to challenge the criteria and make it known the financial hardship this would further cause our respective cities. Meetings were attended by our State Legislators, Cal EMA representatives and the cities to try to find a solution where reimbursement could be awarded. The City's

Federal Legislators also wrote letters in support of reimbursement for Pasadena. In the end, the city was still denied any state or federal funds.

There are several options that staff is reviewing to cover the cost of the windstorm. Even though this is a one-time expense, the cost to recover may take several years depending on the option(s) that City Council approves. The following represents some of the options staff is currently analyzing:

- **Temporary Refuse Rate Increase:** The estimated cost for the debris cleanup by Public Works is approximately \$3.0 million. The City's street cleaning program is completely funded within the Refuse Fund. Staff is reviewing the option of implementing a refuse rate increase over a fixed period to cover the cost of the debris cleanup. It is staff's intent to analyze various rate scenarios using different total costs and timelines.
- **Possible FHWA/Caltrans Funding/Reimbursement:** Staff is estimating that approximately \$1.0 million may be reimbursed through FHWA/Caltrans funds. There are two programs that the city may apply to receive FHWA reimbursement. The first is the Emergency Opening which is 100% reimbursable. The program allows for reimbursement on streets with a functional classification of major collector or higher. Currently, staff has submitted our Emergency Opening estimate to Caltrans of \$1,030,095. This meets Caltrans' threshold of \$700,000 otherwise we would not have been eligible for the FHWA funds.

The second reimbursement option is for Permanent Restoration which is 88.53% reimbursable. Staff is still working to see how much of the damages fall within this category.

- **Future Power Rate Increase:** The estimated cost for the restoration of operations and maintenance from the Power Fund is approximately \$3.0 million. An additional budget appropriation will be needed for fiscal year 2012 with funding coming from operating reserves at this point. The higher expenses will reduce net income for this fiscal year and will ultimately be part of the revenue requirement for future years. This does not necessarily mean a rate increase for the current year, but the costs will flow through and become part of the financial planning and future rate requirements. The capital costs (\$4 million) will likely result in a near term (FY 2013) rate impact since PWP's cash flow for capital projects did not anticipate this expenditure. The additional capital investment will be added to the other projects already planned and will require a larger rate increase than might otherwise have been required.
- **Potential Infrastructure Facility Bond:** The estimated cost for storm related sidewalks, curb, curb and gutter, driveway, roadway, and parkway repair is \$1.5 million. Staff is currently contemplating an Infrastructure Facility Bond that would

include fire station retrofits, and city-owned facility upgrades. Staff would also analyze the cost of incorporating these items into the total bond.

In regards to the impact on the Water Fund, those costs will become part of the regular operations and maintenance, with minor capital costs, for fiscal year 2012 and will be paid with current operating revenues. The impact will drive net income lower for the year, which will affect revenue requirements for fiscal year 2013 and beyond, ultimately leading to a rate increase. Staff will monitor this closely as it may be necessary to further reduce operating costs.

It is anticipated that at the February 27th Finance Committee meeting staff will present funding solutions to recover the costs for windstorm damages and cleanup. The options may be a combination of using one-time revenues and/or rate increases.

COUNCIL POLICY CONSIDERATION:

Following the emergency operations plan for the city is consistent with the City Council goal for ensuring public safety. This includes providing effective life safety measures; reducing property loss; and ensuring the rapid resumption of impacted businesses and community services.

FISCAL IMPACT:

At this time the cost of the windstorm damages and cleanup is estimated at \$17.0 million and a financial plan to fund this expense will be presented to the Finance Committee at their February 27th meeting.

Respectfully submitted,



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Assistant City Manager

Approved by,



For MICHAEL J. BECK
City Manager