

Board Inquiry Form

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Inquiry Number: 24

Department: Public Works
Date: 6/10/13
Page(s) of Budget Book: C-27

Request/Question: Please provide details on then use and balances of the Flood Control Fund Balances.

Response Prepared by: Thomas D. Fayram, Public Works

Response:

The Fund Balance presented in the Budget materials is not a single account rather it is a rolled up total of 12 different funds. The Flood Control District is a Special District and as such its funding is constrained to the Flood Control District's purpose. Of the 12 funds, 10 are Flood Zones and in each case, the funds from these zones are dedicated to that Zone and cannot be shared or used for other purposes.

In the attached slides, the balances and anticipated needs are outlined. In each Zone, a critical element of the reserve is intended for Emergency Response. Department experience has shown that these reserves are critical to allow the District to react to disasters and restore streams and channels to prevent further damages.

Reserves are also utilized to build capital projects and the Department balances the need for emergency reserves and the needs for building capital projects. While the combination of Capital Projects and Emergency reserves creates a large negative balance (slide 3), the Department balances its expenditures to its revenues and implements capital projects over time while retaining a reserve for emergencies. Often, balances will climb for several years and then expenditures will reduce the balances. This effect is clearly seen on the South Coast Flood Zone as Lower Mission Creek is implemented.

Public Works

Flood Control District

- Special District, Funds are Restricted to the District's Purpose
- Consists of 12 Separate Funds, Funding Accounted for, and Kept Separate
- Funds Derived from Taxes and Voter Approved Assessments
- Large Portion of Funding from Properties within all 8 Cities
- Fund Balance (Reserves) Play an Important Role in Implementation of Projects and the District's Ability to Respond to Emergencies



Public Works

Flood Control District

Fund Balance vs. Needs

Fund	Balance	CIP	Future Proj	Emerg Reserves*	Status
Flood District	\$11,481,953	\$2,000,000		\$10,000,000	(\$518,047)
Orcutt Drainage (OMD)	\$2,665,947	\$2,665,947			\$0
Bradley Flood Zone	\$359,288			\$500,000	(\$140,712)
Guadalupe Flood Zone	\$553,408			\$1,000,000	(\$446,592)
Lompoc City Flood Zone	\$4,341,336		\$5,000,000	\$2,000,000	(\$2,658,664)
Lompoc Valley Fd Zone	\$1,271,096		\$2,000,000	\$1,000,000	(\$1,728,904)
Los Alamos Flood Zone	\$993,371	\$5,000,000		\$750,000	(\$4,756,629)
Orcutt Flood Zone	\$2,194,807	\$1,500,000		\$750,000	(\$55,193)
Santa Maria Fd Zone	\$6,144,212	\$12,500,000		2,000,000	(\$8,355,788)
SM River Levee Mt. Zone	\$1,329,426			\$5,000,000	(\$3,670,574)
Santa Ynez Flood Zone	\$2,446,462	\$1,146,000	\$1,000,000	\$750,000	(\$449,538)
South Coast Flood Zone	\$17,861,666	\$110,000,000	\$50,000,000	\$15,000,000	(\$157,138,334)
	\$51,642,972				(\$179,918,975)

Notes

* Emergency Reserve target based on Dept. experience, Reserves cannot be transferred between Zones

