

ANALYSIS

Item 31: Department of Emergency Management City of Echo Flood Damage

Analyst: John Terpening

Request: Allocate \$2,000,000 General Fund from the Emergency Fund, to the Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account and increase Other Funds expenditure limitation by \$2,000,000 to award a grant to the City of Echo for flood damage mitigation efforts.

Analysis: The City of Echo in Umatilla County has had multiple flooding events of the Umatilla River in the past two years. The repeated floods have caused the river to alter its course which has increased erosion that now threatens homes, roads, and bridges in the area. While flooding in 2020 resulted in a federal disaster declaration, the most recent event in June 2022 did not meet the federal threshold. City, county, state, and federal partners have coordinated on development of an immediate stabilization plan to mitigate the impacts of the flood damage that has occurred or is expected to occur over the next few years. Three areas of the river have been identified where work could begin to stabilize the bank at an estimated cost of \$2 million. The Department of Emergency Management (ODEM) reports that the city does not have the resources to fund this work and no other state or federal funding sources have been identified. However, the city does anticipate pursuing federal funds in the future for additional stabilization efforts on other sections of the river.

The Oregon Local Disaster Assistance Loan and Grant Account has been identified by ODEM as a potential means to provide grant funding to Echo. This account was established to provide funding in the form of disaster recovery loans or grants to eligible local governments and school districts to be used as either matching funds for federally declared disasters, or for disaster recovery events that do not meet federal declaration thresholds. Most recently this account has been used to provide \$20 million of one-time funding specific to the 2020 wildfire recovery efforts.

The Umatilla River stabilization project is not expected to be fully completed by the end of the current biennium. By depositing the \$2 million into the account, it would allow for the Department and Echo to expend the monies beyond June 30, 2023 rather than have unspent funds revert at the end of the biennium. With the deposit a corresponding Other Funds expenditure limitation is required for ODEM to disburse the funds out of the account.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$2,000,000 General Fund from the special purpose appropriation made to the Emergency Board for the state's natural disaster prevention, preparedness, response, and recovery activities, to the Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account; and increase Other Funds expenditure limitation by \$2,000,000 for the purpose of providing a grant to the City of Echo for flood damage mitigation efforts.

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Oregon Department of Emergency Management
Gibson

Request: Allocate \$2.0 million General Fund from the State Emergency Fund and increase Other Funds expenditure limitation by \$2.0 million for the City of Echo disaster recovery efforts.

Recommendation: Approve the request.

Discussion: The Oregon Department of Emergency Management (ODEM) is requesting \$2.0 million General Fund for deposit into the Oregon Local Disaster Assistance Loan and Grant Account and a corresponding \$2.0 million Other Funds expenditure limitation increase to provide a disaster recovery grant to the City of Echo.

The City of Echo is located near the banks of the Umatilla River. The City has experienced multiple recent floods, which have changed the course of the river and eroded the banks leading to an increased threat to the City and its residents. The flooding events led to a federal disaster declaration in 2020 as well as a local and Umatilla County disaster declaration. In June 2022, significant rainfall accelerated the erosion process. The City of Echo and Umatilla County have developed a plan to stabilize the banks of the Umatilla River and received an emergency permit to do three temporary stabilization projects totaling an estimated \$2.0 million.

The Oregon Department of Emergency Management has been coordinating with local and county partners throughout disaster recovery efforts and the stabilization plan development. As a result, the agency has identified the Oregon Local Disaster Assistance Loan and Grant Account established in ORS 401.536(2)(c) as a potential funding source and determined the City of Echo is eligible to receive grant funds to complete the stabilization projects.

The Oregon Local Disaster Assistance Loan and Grant Account was established to provide funds for the Disaster Recovery Loan program. The program provides recovery grants and loans to local governments and school districts to pay expenses related to both (1) disaster recovery events, which do not meet the federal disaster declaration threshold, and (2) matching funds for expenses related to federally declared disasters.

The stabilization projects cannot be completed by June 30, 2023. Providing a grant through the fund would allow the City to expend the monies beyond the end of the biennium.

Legal Reference: Allocation of \$2,000,000 from the State Emergency Fund for the Oregon Department of Emergency Management, for deposit into the Oregon Local Disaster Assistance Loan and Grant Account for the 2021-23 biennium.

Establishment of Other Fund expenditure limitation of \$2,000,000 for the Oregon Department of Emergency Management for the payment of expenses from fees, moneys, or other revenues including Miscellaneous Receipts, excluding lottery and federal funds, collected or received for the biennium beginning July 1, 2021, for a Disaster Recovery Grant for the City of Echo's Umatilla River stabilization projects from the Oregon Local Disaster Assistance Loan Grant Account.



Oregon

Kate Brown, Governor

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August 22, 2022

The Honorable Senator Peter Courtney, President of the Senate
The Honorable Representative Dan Rayfield, Speaker of the House
900 Court Street NE
H-178 State Capitol
Salem, OR 97301

Dear Co-Chairs,

Nature of Request

The Oregon Department of Emergency Management (OEM) requests approval and funding to award a \$2 million grant to the City of Echo to be administered through the Oregon Local Disaster Assistance Loan and Grant Account. OEM wishes to use the Oregon Local Disaster Assistance Loan and Grant Account in the Oregon Disaster Response Fund (established in ORS 401.536) to award a grant to the City of Echo which has been impacted by ongoing local disasters. The City of Echo and Umatilla County have been incurring costs to stabilize significant erosion that continues to threaten homes in the vicinity and have developed mitigation actions to provide a permanent repair to the impacted area.

Agency Action

The City of Echo, located in Umatilla County, has been impacted by multiple flood events since 2020 resulting in a federal disaster declaration, and a recent event in June 2022 that does not meet the threshold for federal disaster recovery resources. Since the first event in February 2020, the Umatilla River has continued to change course and poses an increasing threat to the city and its residents. Significant rainfall occurred in the area during May and June of this year which accelerated erosion near the city and resulted in an emergency permit to temporarily stabilize the hazard.

The City of Echo and Umatilla County have each declared a state of emergency in response to the deteriorating conditions which have exceeded the local capability to respond. There has been close coordination between the city, county, state and federal permitting agencies to support the development of a plan that can continue to protect the City of Echo from the rapidly changing conditions. There are three locations where the need for work has been identified which closely surround the city with a combined project estimate of approximately \$2 million.



There are additional plans underway for other sections of the river impacted by the flooding that will pursue federal grant funding in coming years, which is not available for the sites identified in this request. There have been no other state or federal funding sources identified that could fund the identified work needed to help protect the city from additional funding that is increasingly likely to occur in the next five years.

OEM had determined that the City of Echo as a local government is a qualified recipient that would be eligible for a grant award under the Oregon Local Disaster Assistance Loan and Grant Account if funding is made available. The disaster assistance account as identified in ORS 401.536(2)(c) is identified as a potential funding source for these qualified recipients in response to localized events that do not meet the threshold of a federally declared event.

The damage from this natural disaster has been worsened by repeated events in the last three years, with no reasonable expectation of improvement without intervention. OEM supports the use of state funding to mitigate against further damages that can be reasonably and prudently anticipated to occur in the next five years and pose a significant risk to the public and private property within the city boundaries.

Action Requested

ODEM requests approval and funding to award a \$2 million grant to the City of Echo to be administered through the Oregon Local Disaster Assistance Loan and Grant Account.

Legislation Affected: None

Best regards,

A handwritten signature in blue ink, appearing to read "Andrew J. Phelps". The signature is fluid and cursive.

Andrew J. Phelps
Director