

COST ESTIMATE FOR CLEAN UP AND DEBRIS REMOVAL

The Labor Day Fires constitute the biggest and most expensive disaster in Oregon history. The current total cost estimate for debris clean up is \$622 million (hazard trees and ash and debris on private property). A cost share is required, with FEMA covering 75% and a non-federal government (state/local) covering the remaining 25%.

The Debris Management Task Force (DMTF), consisting of OEM, ODOT, and DEQ, recommend adoption of a **State Managed, Locally Coordinated** framework for debris management operations. The DMTF further recommends the state take responsibility for the 25% cost share portion of the FEMA funds and not pass this cost onto local governments. The cost share could go to 10% during the course of cleanup at FEMA's discretion and approval.

	Direct Federal Assistance USACE	State Managed, Locally Coordinated	Locally Managed
Description	State requests USACE to manage all of the FEMA eligible debris clean up activities.	State manages the contracts and overall cleanup effort with strong coordination with local governments in each impacted area.	County oversees contracts and debris removal operations within their respective jurisdiction.
Timing Factors	USACE can utilize existing contracts to begin work as soon as HHW debris is cleared and FEMA eligibility determined.	State has more control of timing through contracting and starting before all FEMA eligibility decisions.	Each county would need to utilize its own contracting process, and assume the risk of FEMA eligibility before starting work.
Cash Flow	USACE covers the payments and bills the state and/or local government at the conclusion of the cleanup effort	State funds all costs of cleanup upfront until FEMA reimbursement. Legislative action required for funds and limitation.	County funds all costs of cleanup upfront until FEMA reimbursement..
Cost Estimate	State/Local Cost Share: \$123.75M – 140.25M Most expensive estimate	State Cost Share: \$78.75–89.25M Assumes State providing the 25% cost share	County Cost Share: \$78.75–89.25M Each county responsible for cost
Contracting Approach	USACE selects one of their pre-qualified contractors. No state control over the pace of recovery. USACE assume no liability for any damages.	State selects contractors with shared Oregon values, while meeting FEMA requirements. State hires monitoring consultant to ensure maximum FEMA reimbursement.	Each county could take varying approaches to debris cleanup, which will result in varying costs.
Other Factors	   	   	   

KEY (positive or negative factor)
 Cost  Time  Weather  Local connection

A fourth option of a state-managed approach was previously included. The DMTF is no longer including this option, because effective cleanup requires coordination and partnership with local government.



CLEAN UP AND REMOVAL: MAJOR COST DRIVERS

The Labor Day Fires constitute the biggest and most expensive disaster in Oregon history. The current total cost estimate for debris clean up is \$622 million (hazard trees and ash and debris on private property).

Hazard Trees

Total: \$296 million for Hazard Tree Removal

A large portion of cleanup costs includes removal and monitoring of approximately 288,000 trees in affected regions across the state. Hazardous trees are not only those trees burned near the roadway, but also include damaged trees (burned, scorched, or other fire-related defects) that could fall into the roadway, onto nearby structures, contribute to landslides, or otherwise endanger the public.

Funding would cover necessary work including slash chipping, erosion control, environmental monitoring, traffic control, re-establishing ditches, consultant monitoring and contract administration.

Ash and Debris Removal

Total: \$326 million for Debris Removal on Private Property

Debris removal is required to clear the ash, structural elements, and other debris on private property. \$50 million is being requested to begin contracting and initial work on ash and debris removal. Going forward, in addition to the cost share, funding will be needed to complete work necessary for recovery, but ineligible for FEMA reimbursement.

Examples of Potentially Ineligible Expenses*

- **Damaged Concrete (potentially including slabs and foundations)**
- **Soil Testing (hazardous materials and heavy metals)**
- **Commercial Properties**
- **Roadside repairs**
- **Slope stabilization**
- **Vehicles on private property (Note: vehicles on public roadways are eligible)**

**based on FEMA approval on a property by property basis*

Ensuring Equitable Recovery Statewide

FEMA clean up conducted by the USACE is based on a parcel by parcel analysis of that specific location's immediate clean up needs. This approach does not complete any work that is not eligible for FEMA reimbursement nor does it consider issues of equity or regional needs.



ASH AND DEBRIS REMOVAL: FUNDING NEEDS AND TIMELINE

The Labor Day Fires constitute the biggest and most expensive disaster in Oregon history. The current total cost estimate for debris clean up is \$622 million (hazard trees and ash and debris on private property).

Phase I: Immediate Needs

Because FEMA funding is generally provided on a reimbursement basis, **~\$50 million** in immediately available state funding for private property debris removal as well as an **expenditure limitation increase** for ODOT for hazardous tree removal would enable immediate contractor selection and ensure contracted cleanup work for hazardous tree and ash and debris removal can begin as soon as possible. ODOT is developing procurements to select contractors. Once funding is obtained, these contractors could begin working by the end of November.

Phase II: Looking Ahead

Hazard Trees: Approximately \$296 million total is needed to complete hazardous tree removal. ODOT will cover these costs from the State Highway Fund and receive reimbursement from FEMA. **Increased limitation** will be needed to cover the costs for this necessary work. ODOT may need to seek short-term borrowing to avoid impacting projects and agency operations before FEMA reimbursement is received.

Private Property: In addition to the Phase I funding, approximately **\$276 million** will be needed to complete ash and debris removal on private property.

The state will seek expedited payment from FEMA to provide some up front funding. A line of credit may be utilized to support ongoing cash flow needs.

Long Term Needs

As FEMA reimbursement-eligible work is primarily focused on clearing ash and debris to support recovery efforts, future needs (e.g. response to landslides and flooding in fire-affected areas) are not included within the \$622 million estimated cost. The extent of these longer term impacts, which are unpredictable and may be seen even up to 10 years post-fire, will depend on burn severity, riparian and watershed conditions, and local land use.

Additionally, rebuilding and recovery efforts (e.g. infrastructure repair or replacement, housing) are not included in the current cleanup cost estimate.