

## ITEM 2

Agenda of August 18, 2011

**TO: Board of Directors  
Sacramento Area Flood Control Agency**

**FROM: Richard M. Johnson, Executive Director  
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**SUBJECT: EXECUTIVE DIRECTOR'S REPORT FOR AUGUST 18, 2011**

We are bringing a number of items to the Board this month including:

- Public Hearing on approving the supplemental Assessment Roll and Setting a Fiscal Year 2011-12 Assessment Rate for the Sacramento Area Flood Control Agency Operations and Maintenance Assessment District No. 1;
- Contract, real estate and other actions on the Natomas Levee Improvement Program; and
- Actions required to continue with construction of the South Sacramento Streams Group Project

We also wanted to provide some additional information on the following:

### **Levee Design Criteria for Urban and Urbanizing Areas in the Sacramento-San Joaquin Valley**

State Senate Bill 5 (SB5), requires 200-year flood protection to be the minimum level of protection for urban and urbanizing areas in the Sacramento-San Joaquin Valley. Per SB5, the State of California Department of Water Resources is developing the criteria that urban levees must meet. All the levees under SAFCA's jurisdiction not only must meet the new Federal standards, but also must meet these new State standards, which are not always the same.

All the levees are being evaluated as part of the American River Common Features General Re-evaluation Report (GRR). SAFCA and the State are working with the United States Army Corps of Engineers (USACE) to develop a locally preferred plan (LPP) to be evaluated as part of the GRR. The LPP will address any critical levee deficiencies, but will require a variance from the USACE's vegetation and encroachment policies. However, the LPP will also have to be compliant with the new State requirements.

**SAFCA Board of Directors**  
**Agenda of August 18, 2011**  
**Page 2**

There is a provision in the new State requirements that has the potential to add a significant amount of cost to the LPP, and/or be a problem for the levee maintaining agencies and the flood plain managers to be able to meet. Therefore, it is important for SAFCA and each of its participating agencies to review the draft interim levee design criteria and to work with the State during the final implementation stages to ensure the criteria is reasonably attainable.

The latest plan provided by the State has been to issue the Draft Urban Levee Design Criteria (ULDC) in September for public review and comment, though there are indications this may be delayed. Therefore, this is another opportunity for the cities, counties, maintaining agencies, and land use agencies to have a final review of the proposed criteria.

**Washington D.C. Update**

FY 2012 Appropriations – The House of Representatives has passed 6 of the 12 appropriations bills for the Federal Fiscal Year 2012, which starts October 2011. This included Energy and Water bills, which is where SAFCA projects are funded.

The Senate has only passed 1 of the 12 appropriations bills. The Senate has not taken committee action on Energy and Water bills. Congress is in recess for their annual August recess, so time is running out.

Starting the new fiscal year on a continuing resolution is a likely scenario. This should not impact construction at the Joint Federal Project, but could impact the work on the General Reevaluation Report, the Natomas levee designs, and the Common Features construction.

Water Resources Development Act – The House is still not moving at all on any type of Water Resource Development Act (WRDA), or any type of infrastructure bill, because of the way they have defined an earmark. Clause 9 of rule XXI of the Rules of the House of Representatives for this Congress defines "congressional earmark" as:

"a provision or report language included primarily at the request of a Member, Delegate, Resident Commissioner, or Senator providing, authorizing or recommending a specific amount of discretionary budget authority, credit authority, or other spending authority for a contract, loan, loan guarantee, grant, loan authority, or other expenditure with or to an entity, or targeted to a specific State, locality or Congressional district, other than through a statutory or administrative formula-driven or competitive award process."

This leaves the House with a dilemma because any specific project included in a Water Resources Development Act fits this definition as an "earmark." As a result, the House has been unable to develop a WRDA bill.

The Senate is still trying to move a WRDA bill forward. They have a number of challenges, including many of the Senators honoring the House definition of an earmark.

Part of the problem is that there are only three flood control projects that have approved Chief's Reports since the last WRDA in 2007 (Iowa - \$99.0 million, Kansas - \$21.2 million, Natomas - \$1.1 billion). Therefore, there is not a large part of the country pushing Congress for flood control projects.

At this moment, it is more likely that a WRDA bill will move in the Senate than the House, but neither option looks very promising this year.

Our congressional delegation, especially Congresswoman Doris Matsui, is exploring all avenues to find a way to get the Natomas Project authorized and to secure adequate funding for our projects.

Debt Ceiling – The good news is that Congress and the President enacted legislation to raise the debt ceiling and keep the Federal Government functional. We were facing the reality that all work was going to stop on SAFCA's flood control projects, including the construction at Folsom on the Joint Federal Project. Not only would this have delayed the construction, but it would have cost the government a significant amount of money for the contractor to shut down and then start again, and SAFCA would have had to pay a share of that.

As part of the legislation, a "Super Committee" was formed - 12 members of Congress – six from each party split equally between the House and the Senate. They have to agree upon significant budget reductions by various deadlines or automatic cuts occur. The first deadline will be around Thanksgiving, followed by one in late December of this year. The bad news is that if this committee does not reach agreement by any of its deadlines, automatic cuts occur. Half of these cuts have to come out of the portion of the budget SAFCA projects are funded in. Therefore, keeping a sufficient level of funding for our projects is going to be a huge challenge moving forward.

### **Folsom Dam Reoperation**

The USACE is starting again on the process to develop a permanent operations manual for Folsom Dam to replace the SAFCA-Reclamation interim agreement. The USACE will be holding a Stakeholders workshop on August 18<sup>th</sup> with various stakeholders in the water community to get the process kicked off. This is a critical component of the system (it accounts for approximately 40 - 60 years in the level of protection).

### **General Reevaluation Report**

There will be a Feasibility Conference "F3" in September. This conference will identify the existing conditions of the levees as a result of the explorations and evaluations done

**SAFCA Board of Directors**  
**Agenda of August 18, 2011**  
**Page 4**

to date by the State and the USACE. This is extremely important as we will find out at that time what problems need to be addressed in the system, and how serious those problems are.

RJlr/Exec dir Aug. 2011.rev.doc