

ITEM 1

Agenda of October 20, 2011

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

**FROM: Richard M. Johnson, Executive Director
(916) 874-7606**

SUBJECT: EXECUTIVE DIRECTOR'S REPORT FOR OCTOBER 20, 2011

We are bringing a number of items to the Board this month contract, real estate and other actions related to the Natomas Levee Improvement Program, South Sacramento Streams Group, and the SAFCA program in general.

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

Federal Fiscal Year 2012 Appropriations

Federal Fiscal Year 2012 started October 1, 2011. Congress failed to pass the fiscal year 2012 Energy and Water Appropriations bill, which is the bill in which SAFCA projects are funded. Instead, Congress passed two Continuing Resolution Authorities (CRA) giving the Federal agencies authority to continue funding their activities through November 18, 2011. This allows work on our projects to generally continue. It appears likely that additional CRAs will be passed before an appropriations bill will be passed.

However, we will have major challenges moving forward with our flood risk reduction projects in FY 2012. There are several issues which could significantly affect us:

- The CRAs did not include any funding for the United States Army Corps of Engineers (USACE's) PL 84-99 program. Congress did not relieve the USACE of its obligations under the program, they just chose not to fund it. This is the program which the USACE uses to perform emergency operations and emergency repairs. There are billions of dollars worth of repairs that need to be done from the Mid-West flooding and from the hurricane damage in the East. Currently, the USACE has no funding to make those repairs. The USACE is evaluating those repairs that absolutely have to be done to get through the next flood season. Additionally, if there are any more emergency operations required, these will also have to be funded. The USACE will be taking funding away from other of its programs to perform these emergency repairs and operations since Congress did not fund this program.

- It does not appear likely that the Congressional Super Committee will succeed in reaching agreement on the first set of budget cuts required by November 24. If they do not, automatic cuts will occur. Fifty percent of those cuts are required to come out of the portion of the federal budget SAFCA's projects are funded under.
- The USACE worked very hard and was successful in getting the Joint Federal Project (JFP) awarded before the end of Fiscal Year 2010 so that we did not lose the FY 2010 funding. However, not all of the design features were fully completed yet. These are now completed and change orders are being negotiated with the contractor. The President's FY 2012 budget (which was adopted by the Senate) included just enough funding to continue construction at the JFP, with no extra for change orders. The House version cut funding below the President's budget. While the USACE is still negotiating the change orders, we believe they will be in the \$20-\$30 million range. These changes orders are required to keep the project moving at its current pace. There are other change orders that need to be negotiated to try to recover some of the schedule that was lost when the USACE changed the JFP project completion date to October 2017 from the original 2014 date.

SAFCA's challenge in FY 2012 will be to protect the funding originally budgeted while seeking additional funding to keep construction at Folsom moving forward. This will be a significant challenge.

State of California Funding

The State of California's FY 2011-12 Budget includes \$54.1 million for the State's share of SAFCA projects. These appear to be secure at this point.

Natomas Levee Improvement Program Construction

The wet 2010-2011 winter/spring and high groundwater has caused us to delay some construction items such as the Giant Garter Snake / Drainage Canal until 2012 (was costly to excavate because of high groundwater). We were hoping to complete all the levee work this calendar year. However, a combination of high groundwater, due to elevated river stages this spring and summer, along with early rains in October will prelude us from finishing the work this year.

If we have decent weather through mid-November, we feel we can complete enough of the levee work to still be able to meet the requirements for FEMA A-99 designation (once a Federal authorization is obtained).

Joint Federal Project

USACE Head Quarters (HQ) deployed a team the week of September 19 through 23 to review the JFP and the management of the project and make recommendations to HQ on changes that need to be made to ensure successful completion on schedule. SAFCA was an integral part of the process. They presented some of their recommendations in an debriefing session.

There were a number of recommendations, but the most significant two were the following:

- “Place a special assistant to the District Commander (a GS-15 personnel level) responsible and accountable for JFP success with full authority to manage, control and direct the entire USACE JFP team.
- Reach across the (National) Command to find a senior level PM (Project Manager) to deploy TDY (Temporary Duty) or TCS (Temporary Change of Station) immediately until or in lieu of permanent recruit and fill.”

The USACE is in the process of implementing this and it should be a huge benefit if they can find the appropriate individual.

Public Meetings and Interaction with State and Federal Officials

At the last Board meeting there was some question about the extent of the public outreach that has been occurring. I have listed some of the major interactions with the public and with State and federal officials that have occurred over the past few months or are scheduled in the near future. (This does not include our regularly scheduled meetings and interactions.)

Public Meetings

July 01, 2011	Auburn Dam Council	All SAFCA Projects
July 21, 2011	SSSG – UPRR Public Mtg	SSSG
August 10, 2011	San Juan Water District	All SAFCA Projects
August 16, 2011	Building Industries Association	All SAFCA Projects
August 18, 2011	CVP Stakeholders	Folsom Reoperation
September 9, 2011	Natomas Rotary Club	All SAFCA Projects
September 9, 2011	TNBC Board	SAFCA NLIP
September 27, 2011	Swallows Nest HOA	SAFCA NLIP
October 13, 2011	South Korean Delegation	All SAFCA Projects
October 16, 2011	Creekside Community Fair	All SAFCA Projects
October 19, 2011	River Oaks Community Assn	All SAFCA Projects
October 27, 2011	Realtors – Natomas Park	All SAFCA Project

Federal and State Officials and Agencies (excluding normal meetings)

July 18, 2011	Congresswoman Matsui Staff	Tour of SSSG
August 19, 2011	Congressman Lungren	Tour JFP
August 22, 2011	Congressman Lungren	Tour American River Levees
August 23, 2011	Department of Water Resources	All SAFCA Projects
August 26, 2011	Congresswoman Matsui Staff	Folsom Reoperation
August 29, 2011	Congresswoman Matsui Staff	All SAFCA Projects
September 12, 2011	Assemblyman Pan	All SAFCA Projects
September 27, 2011	Congresswoman Matsui ASA Darcy	Tour of JFP, Common Features, NLIP
October 13, 2011	Congresswoman Matsui Staff	All SAFCA Projects
October 19, 2011	Congresswoman Matsui	Central Valley Flood Control

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Attachement(s)