

ITEM 1

Agenda of March 21, 2013

**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 MARCH 21, 2013

Washington D.C. Update

Sequestration and F.Y. 2013 Appropriations – Congress and the Administration chose to allow the automatic sequestration cuts to occur on March 1, 2013. The exact effects on SAFCA programs are not entirely known at this time.

We do know that the Corps of Engineers is not able to continue utilizing retired annuitants. Retired annuitants have provided a significant amount of expertise in the design of the Joint Federal Project (JFP) to date. Their knowledge and expertise will be missed. Corps staff is also facing furloughs – up to one day a week. This will greatly hurt the District's capability as we move forward with our projects.

The Continuing Authority that is currently funding the Corps Civil Works program expires March 27th. The House has passed a version of a new Continuing Authority that would cover the Corps for the remainder of FY 2013. The Senate has marked up its own version, but has not passed it yet.

Once the appropriations are known for the rest of FY 2013, we will have a better idea what the impact will be on our projects. Of particular concern is whether the certainty in funding will be there to allow the Corps to award the Phase 4 contract on the JFP. If Phase 4 cannot be awarded on time, the ability of the Corps to complete the JFP auxiliary spillway by October 2017 could be jeopardized. Since Folsom Dam is the backbone of the flood control system protecting Sacramento from the American River flood risks, this is particularly important.

President's Budget for FY 2014 – The President normally releases the budget for the next fiscal year in February. However, because of the sequestration cuts and the unknown budget status for FY 2013, the President has announced the FY 2014 budget will not be released until April 8th. Just a reminder – the Federal fiscal year runs from October 1st through September 30th, so Federal fiscal year 2014 starts October 1, 2013.

House of Representatives Transportation and Infrastructure Committee - House Transportation and Infrastructure Committee leaders are launching a series of listening sessions and/or hearings with stakeholders as the panel prepares to take up work on a Water Resources Development Act (WRDA). The emphasis will be on stressing the importance of WRDA and its importance to the economy. The House has 84 new members this Congress, and many returning members have not been through a WRDA process since the last one passed in 2007. That means many lawmakers have little understanding or experience with a WRDA. The Committee will hold the first "roundtable" to hear from the port community next week.

House Approves Bill Authorizing FEMA Study of Group Flood Insurance Policies - On March 12th the House approved a bill seen as a first step toward authorizing the Federal Emergency Management Agency to issue group flood insurance policies for communities. H.R. 1035 would require FEMA to conduct a study of how such group flood insurance policies -- akin to group health insurance policies -- (not the best reference in today's politics) could be designed. The hope is that by increasing the scale of policies, risk could be spread more broadly and administrative costs could be lowered, ultimately lowering rates.

Integrated Water Management Summit

The California Department of Water Resources and the Water Education Foundation are hosting an Integrated Water Management Summit the afternoon of April 3, 2013 at the California Museum in Sacramento.

Keynote speakers include Congressman Jim Costa, State of California Natural Resources Agency Secretary John Laird, California Department of Water Resources Director Mark Cowin, California Water Foundation Program Director Lester Snow, and U.S. Army Corps of Engineers Director of Civil Works Steve Stockton. I will also speak on a panel representing SAFCA. Panel discussions will consider how leaders from a variety of disciplines can effectively work together to maximize benefits and explore the statewide investment needed to advance integrated water management, including flood control.

The Summit provides an opportunity to gain an understanding about California Department of Water Resources' commitment to improve public safety, foster environmental stewardship, and support economic stability using a holistic approach. The event will include discussions on:

- Challenges and opportunities that exist in flood, ecosystem and water management
- Integrated Water Management (IWM) implementation and innovative thinking
- Improving public safety, fostering environmental stewardship, and supporting economic stability through IWM

- Alignment of plans, policies, regulations and governance
- Promoting resiliency of water management investments
- Long-term strategies for sustainable IWM funding

Folsom Dam Water Control Manual Stakeholders Meetings

The Corps, the Bureau of Reclamation, the State, and SAFCA are holding two stakeholder meetings on the new operation of Folsom Dam. The first was held on February 28th and the second meeting will be on March 28th. These are important meetings in developing a consensus operation with the various authorized purposes of Folsom and so many interests.

Sacramento Chamber of Commerce Cap to Cap

The annual Sacramento to Washington DC capital to capital trip will be held April 13th to April 17th. Many members of the SAFCA Board of Directors will participate on various teams during the trip.

The Flood Protection Team will be discussing several issues of importance to SAFCA, including a Federal authorization for Natomas Levee Improvement Program, appropriations for SAFCA projects, National Flood Insurance Program reforms, and Federal and Corps policy reforms.

Sacramento Chamber of Commerce April 3rd Breakfast Event

On April 3rd, the Sacramento Metro Chamber and the Urban Land Institute will sponsor a breakfast event at the Sheraton Grand Hotel titled “Perspectives on Flood Management and Disaster Planning.”

Keynote speaker Rep. Doris Matsui will provide her perspective on completing the Natomas flood projects; and an update on the legislation moving through Congress. I will also speak on a panel explaining SAFCA’s programs and what actions are being taken to reduce the risk of flooding.

SAFCA Board of Directors Finance Committee

We will be setting up several Finance Committee meetings over the next couple of months as we prepare the annual budget for FY 2013-2014.