

ITEM 1

Agenda of March 19, 2015

**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 19, 2015

JAMES GALLAGHER RESOLUTION

At the February 19, 2015 Board meeting, the Board passed a resolution recognizing James Gallagher for his service on the SAFCA Board. However, Assembly Member Gallagher was not able to attend. SAFCA Board Chair Don Nottoli was able to present the resolution to Mr. Gallagher later in the month at Assemblyman Gallagher's Capitol Office.



AMERICAN RIVER WATERSHED COMMON FEATURES GENERAL REEVALUATION REPORT

The Board was briefed on the General Re-evaluation Report at the February 19, Board meeting. Summarizing, the State of California and SAFCA are presently working with the U.S. Army Corps of Engineers (USACE) to prepare for the public release of the American River Watershed Common Features Project, Draft General Re-evaluation Report/Draft Environmental Impact Statement/Draft Environmental Impact Report (Draft GRR/EIS). The purpose of the Draft GRR/EIS is to look at what else needs to be done to the system, in addition to the projects already authorized, to bring it up to the current Federal and State standards and to improve the performance of the flood risk reduction system protecting Sacramento.

The Draft GRR/EIS identifies the Tentatively Selected Plan (TSP). The basic components of the TSP are:

1. American River: Construction of rock bank protection and launchable rock trenches to address erosion problems along 4 miles of the north bank and 7 miles of the south bank of the American River;
2. Sacramento River: Construction of about 9 miles of slurry cutoff walls to address levee seepage and stability problems and about 10 miles of rock bank protection to address erosion problems along the Sacramento River east levee downstream of its confluence with the American River, as well as about 2.5 miles of geotextile stabilized slope and 2 miles of slope flattening to address levee stability and less than 1 mile of levee raise;
3. Eastside Tributaries: Construction of about 4 miles of slurry cutoff walls to address levee seepage and stability problems and 7.5 miles of levee raises to address potential overtopping of floodwaters along the Natomas East Main Drainage Canal, Arcade Creek, and Dry Creek levees; and
4. Sacramento Bypass: Widen the Sacramento Weir and Bypass by 1,500 feet to reduce the water surface elevation in the Sacramento River and allow more water to flow into the Bypass system.

The estimated cost of the TSP is \$1,469,515,000. The non-Federal sponsors' share will be \$606,138,000. There will be a 70/30 split between the State and SAFCA. SAFCA's share of the TSP would be \$181,841,400.

USACE Headquarters has approved release of the Draft GRR/EIS and it was issued March 13, 2015. The Federal Register Notice will be published March 20, 2015. That will initiate the start of the public comment period. Public meetings will be held jointly with the State and SAFCA. These meetings are listed under the SAFCA Levee Accreditation Draft Environmental Impact Report discussion below.

SAFCA LEVEE ACCREDITATION PROGRAM DRAFT ENVIRONMENTAL IMPACT REPORT

The Board was briefed on the SAFCA Levee Accreditation Program Draft Environmental Impact Report (DEIR) at the February Board meeting. In summary, SAFCA has identified that improvements are necessary along 3-4 miles of levees in the North area and 5-6 miles of levees along the Sacramento River between downtown and the town of Freeport. In addition, SAFCA also identified up to 3,000 feet of necessary erosion repair along the Sacramento River. The report also addresses the removal of high hazard encroachments and vegetation along with developing a corridor management plan for the Natomas East Main Drainage Canal/Steelhead Creek.

As mentioned above, the USACE has released its American River Watershed Common Features General Re-evaluation Report (GRR). SAFCA's program is a subset of the GRR, wherein SAFCA is implementing partial elements of the GRR plan ahead of USACE.

The DEIR was prepared in order to analyze the potential environmental effects associated with such improvements. The DEIR was released for public review and comment on March 18, 2015. Public comments on the document will be accepted for 45 days until May 1, 2015.

SAFCA plans to hold joint meetings with the USACE to help inform the community about the two projects and explain the features of each. These meetings are listed below:

Community Meetings (in Sacramento):

Wednesday, April 8, 5:00 to 7:00 p.m.
Joe Mims Jr. Community Center
3270 Marysville Boulevard

Thursday, April 9, 5:00 to 7:00 p.m.
Sacramento Elks Lodge #6
6446 Riverside Boulevard

Wednesday, April 15, 3:30 to 5:30 p.m.
Tsakopoulos Library Galleria
828 I Street

Friday, April 17, 5:00 to 7:00 p.m.
Arden-Dimick Library
891 Watt Avenue

SAFCA DEIR Public Hearing:

Thursday, April 16, 3:00 p.m.
Sacramento County Administration Building
700 H Street, Room #1

SAFCA WASHINGTON D.C. TRIP REPORT

Each year SAFCA representatives travel to Washington D.C. to work with the various Congressional Committees, Senators, Representatives, and Agencies in seeking support for SAFCA projects. This year SAFCA Board of Directors' Chair Don Nottoli and Vice-Chair Angelique Ashby, and SAFCA Executive Director Rick Johnson traveled to Washington D.C. the week of March 1, 2015. Mike Strachn, SAFCA's Washington D.C. representative, made all of the meeting arrangements. Bory Steinberg and Rich Worthington, SAFCA's Washington D.C. consultants on the USACE also attended some of the meetings.

There were a number of basic messages that were conveyed along with some specific issues discussed. The basic messages were as follows:

- **Fiscal Year 2016 Budget / Appropriations** - Support for the President's budget request for the American River Watershed Project features:
 - Folsom Dam Modifications ("Joint Federal Project") \$56.024 M
(Construction Funding)
 - Common Features, Natomas Basin \$ 3.500 M
(Investigations Funding)
 - Folsom Dam Raise \$18.641 M
(Construction Funding)
- **Expedited Construction on Natomas Levees**
 - Complete first project design with FY15/16 funding
 - Finalize cost-sharing agreement allowing credit for non-Federal work and initiate construction of continuing project in FY 2016.
- **American River Common Features General Reevaluation Report (GRR)**
 - Complete Chief's report in 2015
 - Recommend Locally Preferred Plan
 - Apply "standard" cost-sharing for system-wide improvements.
- **Implementation of E.O. 13690, Federal Flood Risk Management Standard (FFRMS)**
 - Engage in meaningful public input during development of agency implementation guidelines
 - Fully disclose practical effects on Federal programs
 - Avoid disruption to ongoing projects and studies.

- **Interagency Coordination of Activities at Folsom Dam** - Maintain communication and cooperation in execution of key initiatives:
 - Design of Folsom Dam Raise Project
 - Completion of the Joint Federal Project
 - Update of the Water Control Manual

- **Implementation of Water Resources Reform and Development Act (WRRDA) of 2014**
 - Develop implementation guidance on Sec. 7002(2)2 (Natomas Levees)
 - Sec. 3013 (Vegetation Management Policy).

The following meetings were held:

Congressional Offices

Representative Doris Matsui
Representative John Garamendi
Representative Ami Bera

Congressional Committees

Senate Energy & Water Development Appropriations Subcommittee
Senate Environment & Public Works Committee
House Energy & Water Development Appropriations Subcommittee
House Transportation & Infrastructure Committee, Water Resources and Environment Subcommittee

Executive Branch

Assistant Secretary of the Army, Civil Works
U.S. Army Corps of Engineers, Headquarters
U.S. Bureau of Reclamation, Commissioner
Federal Emergency Management Agency

Others

National Waterways Conference

Conclusions:

- It is extremely important that USACE Headquarters send the Sacramento District the Implementation Guidance on Section 7002 of WRRDA 2014, which includes the authorization for the American River Watershed Common Features, Natomas Basin. That guidance is essential to moving forward to have the required cost-share and other agreements executed in time to be eligible for FY 2016 work plan funding for construction.

- The uncertainty around potential consequences or impacts with the new Federal Flood Risk Management Standard (FFRMS) does warrant an effort to try to provide input to the FFRMS implementation guidelines and the USACE implementation guidance.

BOND SALES

SAFCA has initiated the process to sell bonds secured by the Operation and Maintenance (O&M) Assessment District No. 1. The bond sales will allow SAFCA to continue forward with its programs. SAFCA will utilize the same team of consultants (financial advisor, underwriter, bond counsel and disclosure counsel) it used for the last bond sales. The team is very experienced and will help secure the best financing possible. Some contract modifications will be brought to the Board at the April Board meeting.

It is anticipated that the financing documents will be brought to the Board for approval at the May or June Board meeting. The goal is to close the bond sales in June or July 2015. A more precise schedule will be developed as the process proceeds.

The Board Finance Committee was briefed on the details at the March 17th meeting.

USACE AWARDS FINAL CONTRACT FOR AMERICAN RIVER WATERSHED COMMON FEATURES LEVEE WORK

The USACE awarded the last construction contract to close gaps in cutoff walls along the lower American River on March 12. Work is expected to begin in April and end in September. The work will remove two inactive sanitary sewer lines and install 1,350 linear feet of seepage cutoff wall in order to close a gap in the existing wall on the east levee of the Natomas East Main Drainage Canal in north Sacramento. The \$4,152,412 contract was awarded to Contractor Services Group, Inc. of West Sacramento.

USACE HEADQUARTERS NATOMAS LEVEE TOUR

SAFCA had the opportunity on March 10th to take Karen Durham-Aguilera, Director of Contingency Operations and Office of Homeland Security for the U.S. Army Corps of Engineers, Headquarters, and other Sacramento District personnel on a tour of the Natomas levees. It was an opportunity for her and members of her staff to see the work SAFCA completed and to discuss the areas where work still needs to be completed.

FEDERAL FLOOD RISK MANAGEMENT STANDARD LISTENING SESSION

At the February 19 Board meeting there was a discussion of the new Federal Flood Risk Management Standard. On March 11th FEMA, the USACE and other Federal agencies held a Listening Session on the new Federal Flood Risk Management Standard at the California Office of Emergency Services in Mather. SAFCA attended in order to learn as

much as possible. SAFCA will be submitting comments on the implementation guidance before the April 6th deadline.

SELF-ADMINISTRATION OF PERSONNEL MANAGEMENT

As reported at the February 19 Board meeting, SAFCA is in the process of transitioning to a self-administered personnel management system in order to comply with changes in the Internal Revenue Service Code. SAFCA is currently in the final stages of this transition.

In order to continue the CalPERS retirement contract process, CalPERS provided SAFCA with a list of actions that need to be completed prior to CalPERS preparing the final contract. One of these items was compliance with Government Code Section 7507 which requires any change in the future annual costs of retirement benefits be made public at a public meeting.

In order to stay on schedule, this was presented at the SAFCA Board Executive Committee meeting on March 5, 2015. Attachment 1 is a copy of the Board report for that item which is also summarized below.

Based on CalPERS actuarial evaluation, the following are the estimated future annual costs of the CalPERS retirement plan to SAFCA and SAFCA's current annual retirement costs under the City of Sacramento's CalPERS contract.

<u>Future Annual Costs</u> <u>SAFCA-CalPERS Contract</u>	<u>Current Annual Costs</u> <u>CITY-CalPERS contract</u>	<u>Difference</u>
\$32,730.99	\$45,771.85	(\$13,040.86)