



## ITEM 2

Agenda of July 20, 2017

**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 JULY 20, 2017**

### **AMERICAN RIVER WATERSHED COMMON FEATURES, WRDA 2016 PROJECT**

The work identified in the American River Watershed Common Features Project (ARWCF Project), General Reevaluation Report (GRR) was authorized on December 16, 2016 when President Obama signed into law the Water Infrastructure Improvements for the Nation Act, which includes the Water Resources Development Act of 2016 (WRDA 16).

Now that the work is authorized and the Federal Fiscal Year (FY) 2017 work plan has been appropriated, in the amount of \$2.823 million, to initiate Preconstruction Engineering and Design activities; the name American River Watershed Common Features Project, General Reevaluation Report (ARWCF GRR) is no longer appropriate. Moving forward the title in the USACE process will be ARWCF Project, WRDA 2016.

### **SAFCA BUSINESS MODEL**

For the August 17, 2017 SAFCA Board meeting, we will provide an updated informational report on the SAFCA business model, including a discussion on contracting. Some recent questions served as a reminder that it is probably a good time to provide an updated discussion.

### **TRANSFER OF EXCESS FEDERAL CREDITS**

On March 2, 2017, SAFCA formally submitted a request and comprehensive plan to the Sacramento District of the USACE to transfer excess SAFCA credits generated by the ARWCF-Natomas Basin to be applied toward SAFCA cost-share responsibility for the ARWCF - Folsom Dam Raise and the ARWCF WRDA 2016 Project construction.

Section 1020 of the Water Resources Reform and Development Act (WRRDA) of 2014, provides authority to apply credit for in-kind contributions provided by a non-Federal interest that are in excess of the required non-Federal cost share for a water resources development

project. Section 1166 of WRDA 16 modified section 1020 by allowing the transfer of excess credit prior to completion of the project.

On May 15, 2017, the Sacramento District sent a letter indicating that they could not process SAFCA's March 2, 2017 request until they received the implementation guidance from USACE headquarters and the Assistant Secretary of the Army (ASA) office for Section 1166. On June 8, 2017, SAFCA made formal requests to both USACE headquarters and the ASA requesting that the implementation guidance for Section 1166 be expedited.

Since placing excess credits is so important to our program, I went to Washington D.C. on June 26, 2017 to address/push for the guidance. Both USACE headquarters and the ASA were very accommodating and expedited the guidance, executing it on June 27, 2017. Attachment 1 is the formal response from the acting ASA with the completed implementation guidance.

This is important in that we can now begin to work with the Sacramento District to modify SAFCA's comprehensive plan to transfer SAFCA's excess credits and then work at moving it through the system for the ultimate approval at the ASA.

### **MAGPIE CREEK FLOODPLAIN CONSERVATION PROJECT**

The Magpie Creek Floodplain Conservation Project (Project) is a program where SAFCA has teamed with the State of California (State) to preserve floodplain and remove the chance of development in the floodplain. This effort is funded through a State grant with 90 percent State funding of \$5 million and 10 percent SAFCA funding of \$500,000. The Project area is the upstream and downstream floodplains of Magpie Creek where it crosses Raley Blvd. The grant provides funding for SAFCA to acquire five parcels (with four owners) comprising 51 acres. SAFCA has appraised the properties and made offers to acquire the properties at the appraised values. Two owners of the properties downstream of Raley Blvd. have not expressed any interest in selling their property based on our appraisals of the land in the area. On the upstream side of Raley Blvd., one property has committed to the sale of its property to SAFCA (5 acres for \$131,000) and the owner of the other two properties has expressed interest in selling both parcels (14.32 acres for \$219,000 and 18.66 acres for \$366,000). Staff is working out the details with the owner of the latter two properties. All three of these acquisitions are within the Executive Director's delegated authority to acquire real estate per Resolution No. 2015-10. Staff anticipates these acquisitions will occur in the near future.

The properties upstream of Raley Blvd comprise approximately 38 acres of floodplain that would be preserved. As part of the grant, funds remaining after real property acquisitions are anticipated to be used to restore habitat values on the property. This would be a second phase of work once the land is in SAFCA's ownership and staff would return to the Board to inform it of those activities.

## **DEPUTY ASSISTANT SECRETARY FOR POLICY AND LEGISLATION**

Mr. Let Mon Lee, Deputy Assistant Secretary for Policy and Legislation, retired from Federal service at the end of June. In this capacity Mr. Lee served as the principal legislative advisor to the Assistant Secretary for the Army (Civil Works), and as the responsible individual for executive direction of Army Civil Works programs involving the development of projects for navigation, flood risk management and storm damage prevention, environmental restoration and related water resources activities.



In this role, Let Mon has been critical in advancing flood risk reduction projects for Sacramento. In particular, he was key in helping to advance the ARWCF Natomas Basin Project through every critical milestone leading to the new construction start.

While I was in Washington D.C. seeking the excess credit implementation guidance, I was able to make a presentation to Let Mon on behalf of SAFCA thanking him for his help and service to Sacramento and the country.

## **AMERICAN RIVER WATERSHED COMMON FEATURES, NATOMAS BASIN PROJECT**

As reported in last month's Executive Director Report, when Congress passed and the President signed into law the Consolidated Appropriations Act of 2017, on May 5, 2017, funding was provided for the USACE to determine a work plan for activities nationwide. As a result of the work plan, the FY 2017 Federal appropriations for SAFCA projects almost doubled from \$41.89 million to \$78.213 million. The funding for Natomas increased from \$21.15 million to \$52.65 million. Therefore, with the additional FY 2017 work plan funding, along with the anticipated funding from the President's Proposed FY 2018 Budget, work in Natomas can extend to Reaches D, H and I. Attachment 2 is a Natomas map showing the USACE designations for the reaches.

The contract award for the first contract on Reach I is anticipated in late July 2017. The first construction will be the blanket drain installation and City water main relocations under Interstate 5 beginning in September 2017. The cutoff wall for Reach I will be installed in the summer of 2018. The contract to perform the work on Reach H is anticipated to be awarded in September 2017. There will be some tree removal required which will occur in the winter of 2017. The construction of cutoff walls and slope stability features will begin in 2018 and extend through 2019. The Reach D contract is expected to be awarded in February 2018. This involves

removing abandoned pipes at two irrigation pumping plants and upgrading the Reclamation District No. 1000 Pumping Plant 4 to meet the new requirements of pumping up and over the Natomas Cross Canal south levee, and relocating the Vestal Drain. This work will also begin in the summer of 2018 and extend through the fall of 2019. Additionally, 5,000 seedlings will be planted in the fall of 2017 as part of a mitigation effort.

### **FEDERAL FY 2018 APPROPRIATIONS UPDATE**

The U.S. House of Representatives Appropriations Committee marked up the Energy and Water Development Appropriations Bill for Federal FY 2018. The amounts for SAFCA projects are the same as in the President's Budget. A table follows that shows the numbers.

There is still a long way to go before any appropriations bill is in place. However, the markup includes two new construction starts that could be used for flood risk reduction projects. Also, the markup includes funding for a work plan in two categories important to us - "Flood and Storm Damage Reduction" for \$114,500,000 and "Flood Control" for \$175,000,000.

This may be an opportunity to work towards trying to secure one of the new construction starts for the ARWCF WRDA 2016 Project. Additionally, it may also be an opportunity to work with the USACE in an effort to get more projects ready in Natomas for possible work plan funding.



**SAFCA Federal Appropriations – Status Chart**  
**7-11-2017**  
**(\$ in Millions)**

<b>PROJECT</b>	<b>FY 2015 TOTAL</b>	<b>FY 2016 TOTAL</b>	<b>FY 2017 Omnibus Approps 5/01/17</b>	<b>FY 2017 USACE Work Plan Add 5/24/17</b>	<b>FY 2017 TOTAL</b>	<b>FY 2018 Budget Request 5-23-17</b>	<b>House Cmte Markup 7-11-17</b>
American River Watershed (Folsom Dam Modifications/JFP) – Construction	92.6	61.024	20.74	2.0	22.74		
American River Watershed (Folsom Dam Raise) – Construction	1.2	18.641	0	0	0	5.775	5.775
American River Common Features, Natomas Basin – Investigation (PED)	0	3.500					
American River Common Features, Natomas Basin – Construction	1.5	11.000	21.15	31.5	52.65	20.55	20.55
American River Common Features, WRDA 2016 – Investigation (PED)	0			2.823	2.823	0	0
<b>TOTAL</b>	<b>95.3</b>	<b>94.165</b>	<b>41.89</b>	<b>36.323</b>	<b>78.213</b>	<b>26.325</b>	<b>26.325</b>
Other:							
Sacramento River Bank Protection – Const.	1.0	6.000	8.00	0	8.00	2.78	2.78
Sacramento River Bk. Prot. GRR - Feasibility	0	0	0.625	1.018	1.643	0.482	0.482