WHY THE NATOMAS LEVEE IMPROVEMENT PROGRAM COST IS GREATER THAN ANTICIPATED

The Natomas Levee Improvement Program (NLIP) is expected to cost significantly more than estimated in April 2007. At that time, property owners approved assessments through a mail ballot process to fund the local share of this program. There are two primary reasons for the cost increase.

After the NLIP was established, the U.S. Army Corps of Engineers (Corps) adopted new standards that required SAFCA to develop a new design solution along the Sacramento River. Rather than stripping existing vegetation from the waterside slope of the levee and removing several dozen waterfront homes, SAFCA opted to construct a new levee adjacent to the existing levee. The redesign solution satisfies the Corps’ new standards and does so at a cost substantially less than what it would have cost to remove homes, trees, utility poles and other structures under the original plan. However, constructing adjacent levees has required a large expansion of the project footprint and added greatly to the original project costs.

The NLIP along the east side of Natomas also had to be redesigned. In 2007, most of this part of the levee system was considered to be adequate. SAFCA planned only to improve the levee along the Pleasant Grove Creek Canal north of Sankey Road. However, under new Federal and State standards, the levee between Sankey Road and Dry Creek needs to be strengthened to withstand extreme water levels in the adjoining drainage channel. After collecting and examining data on the condition of this segment of the levee, SAFCA identified problems with the foundation and banks of the levees. To address these deficiencies, SAFCA’s engineers created an adjacent levee design similar to the one along the Sacramento River, adding significantly to the original project costs.

THE STAKES ARE HIGHER THIS YEAR

SAFCA is confronting new challenges that require the attention of all property owners in the Natomas Basin.

We have made significant progress to strengthen levees protecting this Basin from serious flood risks since property owners approved assessments in 2007. With that said, like it or not, we must deal with the fact that new assessments are needed to maintain the pace of our work and to complete the improvement projects for which SAFCA has responsibility.

At stake is the timing of when we can get the Federal Emergency Management Agency (FEMA) to remove the requirement for flood insurance coverage that will cost homeowners more than a thousand dollars per year for a typical policy and to remove building restrictions in Natomas.

As you may recall, new U.S. Army Corps of Engineers (Corps) standards caused FEMA to repump Natomas into the 100-year floodplain in late December 2008. Unfortunately, the Corps also changed its standards affecting vegetation and other structures along the Sacramento River. To further complicate things, after collecting and examining data on the condition of the levees on the east

ARMY CORPS OF ENGINEERS RECOMMENDS APPROVAL OF NATOMAS LEVEE IMPROVEMENT PROGRAM

In an engineering feasibility report delivered to Congress and the Obama Administration at the end of 2010, the U.S. Army Corps of Engineers (Corps) has laid the groundwork for Congress to authorize completion of the Natomas Levee Improvement Program (NLIP). In the past two years, this report was among only a handful to make it successfully through the Corps’ national review process.

Evaluating the NLIP as a separate component of the flood control system in Sacramento was in large part inspired by SAFCA’s accomplishments in Natomas. The Corps was able to take advantage of SAFCA’s planning, engineering and environmental work. SAFCA’s ability to show that adjacent levees along the Sacramento River complied with the Corps’ new vegetation and encroachment standards was a key factor in this national review process.

The stage is now set for Congress to authorize completion of the NLIP and provide the appropriations necessary to permit its completion. An effort will be made in the current 2011-12 session of Congress to obtain such authorization.

Several factors weigh in favor of congressional action on the Natomas project during this new session. The risk of flooding in Sacramento is well known in Washington, D.C.

SAFCA’s accomplishments in reducing the flood risk and the willingness of local citizens to contribute their share of the cost of this effort are also well known and have played a key role in previous congressional authorizations.

Most importantly, as the Corps’ report makes clear, the Federal interest in flood risk reduction in Natomas is not well served by further delay. SAFCA will continue to work with Congresswoman Doris O. Matsui and the Sacramento congressional delegation to support the needed authorization.
SAFCA has also adopted several interagency agreements to ensure that the redesigned levee improvements not only protect but also complement existing land uses. For example, under an agreement with the Sacramento County Airport System, SAFCA is mining several million tons of soil material from abandoned rice fields in the bufferlands north of the terminal. These fields are being regraded to meet Federal Aviation Administration drainage standards, thereby reducing wildlife conflicts in the area.

Construction of the adjacent levee has also required relocation or removal of several hundred trees along the landside of the existing levee. SAFCA is compensating for this loss by creating a new woodland corridor along the outer edge of the adjacent levee footprint. According to Peter Buck, SAFCA’s Natural Resources Supervisor, “Many of the trees in the project footprint are mature valley oaks. We’ve transplanted some of the younger trees and planted hundreds of new trees as replacements. The soil conditions in the western portion of the Basin are very favorable for tree growth. Over time, we expect the new corridor to produce a canopy that is two or three times larger than the canopy that is being lost.”

These arrangements have allowed the NLIP to move forward at a rapid pace. “We finished the work on about five miles of the Natomas Cross Canal and seven miles of the Sacramento River last year,” Bassett noted. “If we can close our local funding gap, we could extend the adjacent levee another six miles to Powerline Road south of the Airport.” Under this scenario, SAFCA could significantly reduce flooding potential in Natomas and complete half of the improvements needed to meet Federal standards for providing the Natomas Basin with at least a 100-year level of flood protection.

This scenario would set the stage for congressional authorization of the remainder of the perimeter levee improvement program – lifting the current restrictions on building new homes and businesses in Natomas.
“WHY THE NATOMAS LEVEE IMPROVEMENT PROGRAM COST IS GREATER THAN ANTICIPATED”

Higher cost due to widening approximately 30 miles of the perimeter levee system and reconstructing drainage, irrigation, utility and roadway infrastructure to accommodate the larger levee area.

Higher cost for designing and creating several hundred acres of woodland, cropland and marsh habitat to offset negative environmental impacts of the larger levee area.

Higher management cost due to larger construction project.

Higher cost to acquire land for the larger project area.

Higher cost for compliance with new vegetation and encroachment standards and permitting, including monitoring and avoiding Native American burial grounds in the larger project area.

The following table summarizes the NLIP cost increases on the west and east sides of the Natomas Basin. (The figures are in millions of dollars.)

If Natomas property owners fail to approve the new assessments required to raise SAFCA’s $35-40 million local share off the $366 million in added costs, the following events would occur:

✓ SAFCA’s current construction program along the Sacramento River would halt.
✓ The current building restrictions in Natomas would not be lifted.
✓ Costly flood insurance requirements would continue indefinitely.
✓ The Natomas Basin would not achieve 200-year level flood protection.

The measure being supported by Rep. Matsui would require a phase-in period for new insurance rates when areas such as Natomas are removed from and then later remapped into a “special flood hazard” zone. Under this provision, rate increases could not exceed 20 percent of the new rate in any year.

If this measure is adopted, insurance rate increases in Natomas after 2012 would be limited to about $250 per year until the new rate (approximately $1,250) is achieved in 2016. The new rate would remain in force until the Corps completes the Federal portion of the Natomas project and removes the Natomas Basin from the 100-year floodplain.

Under a best-case scenario, if the local funding gap is closed, the removal could occur in 2019. At this point, flood insurance rates would be rolled back to the current $350 per year level. Under a worst-case scenario, if the local funding gap is not closed, the new $1,250 rate would continue indefinitely.
side of Natomas, we realized that more money would be needed to make the improvements necessary to provide for the safety of Natomas Basin residents.

SAFCA staff will provide information on costs and benefits of the Natomas Levee Improvement Program (NLIP) and answer questions about the NLIP’s status. Among the meeting topics will be expenditures to date, additional funding needed to complete the project, prospects for Federal authorization and funding, and other issues of interest to Natomas property owners.

This information also will be addressed in an engineer’s report to be presented to the SAFCA Board at its regular meeting on February 17, 2011. This report will be accompanied by an updated project cost estimate and independent review of the cost estimate by an outside engineering firm familiar with the Natomas project. This report will identify the local funding need, describe the proposed method to meet this need with special assessments on Natomas property owners, and identify the allocation of assessments among residential, commercial and industrial properties in the Natomas Basin.

The SAFCA Board is expected to consider action on the engineer’s report at a special meeting on March 2. If the Board approves this report, all Natomas property owners (residential and nonresidential) will have an opportunity to decide the fate of the proposed new assessments through a mail ballot process.

Under this process, the ballots are weighted to reflect each property owner’s respective assessment, ballots must be returned within a 45-day period and the ballot question is decided by a majority of the weighted ballots cast.

Should there be an assessment process, SAFCA will host a series of community open houses in Natomas in March to address questions about the contents of the engineer’s report and the balloting process.

Details about the community open houses and the assessment proposal will be included in a second newsletter to be issued by SAFCA in early March.

For more information, please contact SAFCA at (916) 874-7606 or visit www.safca.org.