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Flood agency risks \$100M for levee work

SAFCA plans to spend \$345M on Natomas work by end of 2010

Sacramento Business Journal - by [Michael Shaw](#) Staff writer

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Call it SAFCA's \$100 million gamble.

The Sacramento Area Flood Control Agency has committed \$100 million to shore up levees around an 86-square-mile area of the Natomas basin.

But completing the \$618 million project will require state and

federal funding for the balance.

"It is a little bit of a leap of faith that the feds will step in," said Stein Buer, the agency's executive director. "We can't climb out any farther on the financial limb."

His mission got a bit easier this month, when the state committed \$100 million of the \$245 million it has promised. That included handing over a \$42.5 million check, despite severe budget cuts to state programs.

The immediate cash and the pledge of more to follow allowed SAFCA last week to award a contract that will keep construction rolling through the rest of this year.

With the majority of federal stimulus dollars still mired in Washington and a construction industry that's largely slowed to a crawl, \$618 million will be a major boost to the local economy. Buer expects a "very ambitious" expenditure of \$345 million by the end of next year, if all the environmental approvals and state funding come through.

Significant progress in improving the levees will enable regulators to lift the ban on residential and commercial development within the basin, which is one of Sacramento's major growth areas and a high priority for officials at all levels. But removing the ban is possible only when a majority of the money has been appropriated and at least half the construction is completed. The third and trickiest requirement is congressional authorization.

Authorization for levee projects is supposed to occur every other calendar year through Water Resources Development Acts. But it rarely does. The past two water bills were enacted in 2000 and 2007.

"It's a very convoluted process that we're trying to simplify," said Gabe Horwitz, legislative director for Congresswoman Doris Matsui, a Sacramento Democrat. "Right now, we're doing everything we can to make sure it stays on track."

Horwitz said there's a remote possibility the Natomas levee improvements could be authorized as a stand-alone project, once an accepted procedure but now rather rare. This year, Matsui introduced a bill that would authorize the project with the idea that it could be worked into other legislation.

"We did it knowing it wouldn't be passed as a stand-alone bill," Horwitz said.

Matsui said the issue will remain a top priority.

MEDIA



Natomas levee improvement plans



Source: Sacramento Area Flood Control Agency

"I will continue to work every day with my colleagues in Congress and our partners at SAFCA and the (Army) Corps to authorize this project," she said, "so that it will be eligible for federal funding and deliver the 200-year flood protection the people of Sacramento need and deserve."

SAFCA's Buer acknowledged that fronting 90 percent of the project cost so far, instead of the customary 10 percent, is risky. Still, he and others believe it's a safe bet.

"Over and over again, Congress has reiterated its intent," he said, recounting past levee improvements. He expects federal funds to reimburse some of the agency's expenditures. SAFCA sold bonds to raise some of the cash for construction.

Hurricane Katrina in 2005 forced officials to reconsider the danger of flood waters cutting underneath a levee, not just through it. That led to an evaluation of Natomas, where past floods have undercut levees.

The local project will require much more than just beefing up levees. In some areas, it will mean adding a second supporting levee, installing a cutoff wall deep into the ground to reduce underseepage, or removing trees from levee banks. The trees, whose roots were once believed to reduce erosion, are now suspected pathways of flood waters during levee breaches.

There also are significant habitat issues to protect endangered hawks and garter snakes, said Peter Buck, SAFCA's natural resources supervisor.

SAFCA is tackling the riskiest levee portions first, those along the Sacramento River.

Last week, the agency awarded a \$20.7 million contract for the second major portion of levee improvements to low bidder **Independent Construction** of Concord. The company beat engineers' cost estimates by \$14 million, indicating how competitive the construction market has become during the downturn.

Company representatives could not be reached for comment.

In April, SAFCA awarded a \$21.5 million contract for levee work to **Teichert Inc.** The company declined comment.

Not everyone is happy with the levee plan, however. The **Garden Highway Community Association** has filed three lawsuits against SAFCA challenging the environmental review process.

The first was settled, with the agreement to relocate power lines and keep dirt-hauling trucks off Garden Highway. But the other two, which include objections to the planned removal of hundreds of trees from the levees, are still pending.

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