



Sacramento
Area Flood
Control
Agency

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TO: INTERESTED PARTIES

FROM: Stein Buer, Executive Director *SMB*
Sacramento Area Flood Control Agency
(916) 874-7606

SUBJECT: NATOMAS LEVEE IMPROVEMENT PROGRAM UPDATE

INTRODUCTION

This report provides an update to the first Executive Director's Report distributed by SAFCA on December 18, 2007. Since then, SAFCA along with its partner agencies, the U.S. Army Corps of Engineers (Corps), and the Central Valley Flood Protection Board (State), formerly the Reclamation Board, have worked on many fronts to advance the Natomas Levee Improvement Program ("NLIP" or "Program").

As progress continues in planning, the preparation of environmental documents, securing financing, and construction, SAFCA and its partner agencies continue to seek comments from interested public and stakeholder groups, which can help guide our decision-making. To help the community stay informed about current activities, SAFCA provides access to information in a variety of ways:

- Relevant information about the Program is posted regularly on the SAFCA website (www.safca.org) either under the link titled "Current Construction Projects, Natomas Levee Improvement Program" or "Announcements", both of which are located on the home page.
- Program updates are provided at monthly SAFCA Board meetings, which typically occur on the third Thursday of every month, beginning at 3:00 PM. These meetings are televised live on Metro Cable. The Board meetings are videotaped and archived online. Links to agency staff reports and archived video are available on SAFCA's website.

Office 916-874-7606
FAX 916-874-8289

1007 - 7th Street, 7th Floor
Sacramento, CA 95814-3407

- Public meetings are held in the community to garner public input on the Program as each stage moves through the environmental impact analysis and permitting process.
- All of the relevant environmental documentation is posted on the SAFCA website and is available in public libraries throughout the Sacramento area.
- Executive Director Reports, such as this one, are periodically mailed to property owners located adjacent to the project.

PROGRAM GOALS

In general, the NLIP is designed to improve flood protection for the Natomas Basin as quickly as possible. In light of the anticipated re-mapping of the Natomas Basin into the Federal Emergency Management Agency (FEMA) regulated 100-year floodplain (an AE rating on the revised National Flood Insurance Rate Maps) in early December 2008, SAFCA's milestones are to:

- Achieve a re-mapping to an A99 rating, which would alleviate the building restrictions which will be imposed when the AE rating takes effect;
- Restore 100-year flood protection to the Natomas Basin as quickly as possible
- Achieve a 200-year level of flood protection or better over time.

To achieve these milestones the NLIP must meet specific goals in terms of Program authorizations, financing, and construction. As the Program has moved forward, the goals themselves have been in flux. In response to major floods, court decisions, and new technical information over the past several years both federal and State of California agencies are tightening the technical criteria which must be met to achieve the milestones, which in turn affects the cost, complexity, and duration of Program construction.

ENVIRONMENTAL DOCUMENTATION

The Natomas Basin is surrounded by about 42 miles of levees, with a variety of deficiencies which must be corrected in order to achieve our flood risk reduction goals. These include water side erosion, insufficient levee height, instability due to potential seepage through and under the levees, instability due to inadequate levee cross sections, poor construction materials, and encroachments. As a practical matter, SAFCA has determined that the most practical and cost-effective way to make the levee improvements is to break the work into phases, allowing available resources for studies, design, and construction to be most efficiently used.

Accordingly, the environmental documentation for the program is being completed in stages as well. This can sometimes be confusing for the casual observer, as multiple documents in various stages of completion may be available for review at any given time. Furthermore, SAFCA and its partner agencies must comply with both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), as well as a host of other federal and State laws and regulations. Thus for every significant action, both an Environmental Impact Report (EIR, for CEQA) and an Environmental Impact Statement (EIS, for NEPA) must be completed, as separate documents or as a combined EIS/EIR. The current status of environmental documentation for the Program is as follows:

- **February 2007:** SAFCA certified the *Final EIR on Local Funding Mechanisms for Comprehensive Flood Control Improvements for the Sacramento Area*, including a Programmatic Evaluation of the Proposed Funding Mechanisms and a Project-Level Evaluation of the Natomas Cross Canal South Levee Phase 1 Improvements. This report provided the evaluation which supported the implementation of the Consolidated Capital Assessment District ("CCAD") in April of 2007 and the establishment of the SAFCA Development Impact Fee Program in May of 2008. It provided a general, program-level description of the entire NLIP, and project-level CEQA compliance for the first stage of construction on the NLIP, consisting of seepage cutoff wall construction along the western portion of the Natomas Cross Canal south levee. A subsequent federal Environmental Assessment provided project-level NEPA compliance.
- **November 2007:** SAFCA certified the *Final EIR on the Natomas Levee Improvement Program Landside Improvements Project*, which provided a detailed, project-level analysis of construction planned for the 2008 construction season and a more general, program-level analysis of construction work planned for the 2009-2010 construction seasons.
- **June 2008:** The Corps released for public review the *Draft EIS on 408 Permission and 404 Permit to Sacramento Area Flood Control Agency for the Natomas Levee Improvement Project, Sacramento, CA*, which is the companion NEPA compliance document to SAFCA's November 2007 EIR. It is required to support Corps decisions on project compliance with federal laws (33 U.S.C. 408 and Clean Water Act, Section 404). It is anticipated that this document will be completed and a Record of Decision signed in September 2008. While originally described as "2008" construction work, due to additional time required to complete the environmental documentation process, the described work is now planned for the 2009 construction season and referred to as "Phase 2".

- **August 2008:** The Corps, the State, and SAFCA will jointly launch an EIS/EIR to provide environmental documentation for NLIP Phase 3, which will likely be executed in the 2009 construction season. A Scoping Meeting on this document is scheduled for August 6, 2008 between 4:00-7:00 PM at Sierra Health Foundation, 1321 Garden Highway, Sacramento, CA.
- Subsequent documents will be prepared as the work progresses.

PROJECT SCHEDULE

SAFCA and its partner agencies are seeking to expedite project execution by every reasonable means. While this is expected to ultimately result in more rapid flood risk reduction with cost savings in terms of both risk exposure and cost inflation, there are downsides to this approach. Because many of the activities which are normally done in sequence for projects of this nature are being executed in parallel, we are making numerous adjustments in schedule, design, and real-estate requirements as we move forward. For example, geologic exploration of foundation conditions traditionally precedes design, thus allowing engineers to fully understand these conditions when they start designing the levee improvements. We have chosen to begin the design process at the same time exploration is underway, thus speeding up the process, but requiring that we adjust the design as more information becomes available.

Our Program schedule and execution strategy is adapted as necessary as new information becomes available, as design criteria change, as the complex environmental documentation and permitting process moves forward, and as we work through the acquisition of right-of-way and borrow materials.

The Program schedule is updated at least once a month and posted on the SAFCA website (see <http://www.safca.org/NLIPDRAFTEIRS.htm>). The schedule can be viewed at three levels of detail, from the very general to the detailed task level. A graphic representation of the proposed construction sequence for the Natomas Basin is shown in the link titled, "NLIP Construction Phasing Map" which is also updated monthly. It provides the best quick reference tool for viewing the current Program implementation sequence

2008 CONSTRUCTION SEASON ACTIVITIES

Geologic Exploration and Field Surveys: SAFCA's field crews are working throughout the Natomas Basin collecting data on surface soils and sub-surface foundation conditions, topography, boundary lines, biological resources, cultural resources, and other essential project data. SAFCA obtains rights-of-entry prior to entering onto private lands for these

investigations and seeks to do so with minimum disruption for the property owners.

Pritchard Lake - Pumping Plant 2 Site Repair: Reclamation District 1000 is managing the emergency repairs at this site, on the Sacramento River east levee just south of the Sutter County Line at River Mile 75.1. The contractor is excavating this site to remove old pipes and poor foundation materials which contributed to excessive seepage during the 2006 flood season. The levee cross section will be re-built with competent materials, after which a new pumping plant will be constructed.

Natomas Cross Canal South Levee Phase 1B: SAFCA recently issued the notice to proceed for construction of Phase 1B of the Project, consisting of constructing a seepage cutoff wall along 3600 feet of the Natomas Cross Canal south levee, picking up east of where the Phase 1A work ended in 2007 (see the NLIP Construction Phasing Map).

Power Line Relocations along the Sacramento River East Levee in Sutter County: If the NEPA environmental documentation currently underway can be completed as scheduled and permits obtained in time, SAFCA will work with the Pacific Gas and Electric Company to relocate the main power line which parallels the Sacramento River east levee south of the Natomas Cross Canal in Sutter County. The power poles and electrical lines would be re-located eastward to make room for the enlarged levee to be constructed along this reach in 2009. The relocations will be designed to minimize visual, property, and service impacts on existing homes in the area.

Elkhorn Irrigation Canal Relocation: If the NEPA environmental documentation currently underway can be completed as scheduled and permits obtained in time, SAFCA will initiate relocation of the Elkhorn Irrigation Canal, which originates at the Pritchard Lake Pumping Plant and conveys irrigation water southward parallel to the Sacramento River East Levee to the Elkhorn Reservoir, adjacent to the Teal Bend Golf Club. The work would consist of modifying the canal headworks and constructing a new canal east of the existing canal to make room for the enlarged levee to be constructed along this reach in 2009.

PROJECT FUNDING

SAFCA Development Impact Fee (DIF) Program: In May 2008 the SAFCA Board approved the implementation of a Development Impact Fee on all new residential, commercial, and industrial development within the SAFCA CCAD 200-year floodplain. The new fee will take effect on January 1, 2009. The collected revenues will be used to offset the additional risk of economic damage from new development in the 200-year floodplain, including Natomas. The collected funds will help fund the local share of costs of improving Natomas levees from a 100-year level of protection to the 200-

year level. The fee is projected to contribute \$132 million for flood system improvements over the next 11 years, based on regional growth projections. This fee, combined with the revenues from the SAFCA Consolidated Capital Assessment District, will provide the local contribution to the Sacramento area flood damage reduction system improvements, including the NLIP.

State Funding: The State Legislature last year allocated \$49 million in Proposition 1E funds for the NLIP. Recently it proposed another \$193 million, for a total of \$242 million. The State is authorized to work with SAFCA to help complete the NLIP, contributing 70% of the total, including its share of advancing anticipated federal funding, while SAFCA contributes 30% of the total.

Federal Funding: Despite long federal involvement in Natomas levee improvements, dating back to 1917, because the needed improvements are far more extensive than previous federal authorizations contemplated, the Corps is not fully authorized to contribute funds and help with the construction of the NLIP. On the other hand, SAFCA and the State fully anticipate that the Corps will be authorized to contribute its full share of 65% of the total project cost, once the federal study and authorization process is completed. While SAFCA and the State are moving forward with Program construction, the Corps, the State, and SAFCA are cooperating in a federal study which is expected to lead to a federal project authorization in the 2010 time frame. Prior to the time such a federal authorization is in place, SAFCA and the State are seeking assurances that the work underway is likely to be acceptable and eligible for credit by the federal government when and if such a federal project is authorized.

LEVEE VEGETATION

In April 2007, the Corps of Engineers (Corps) released a draft white paper titled, the *Treatment of Vegetation within Local Flood Damage Reduction Systems*, which called for the removal of brush and trees, as well as other encroachments that might impair levee integrity or flood-fighting access during floods.

Recognizing that existing brush and trees provide valuable wildlife and fisheries habitat, contribute greatly to the quality and beauty of our region, and both vegetation and encroachments would be extremely expensive to remove, SAFCA modified its proposed NLIP levee improvement designs to include an enlarged levee embankment (adjacent setback levee) along the land side of the existing Natomas levees where appropriate. This approach will meet our levee improvement goals while minimizing the need for substantial removal of vegetation and structural encroachments on the water side of the existing levee system.

California Levees Roundtable: In order to resolve the system-wide conflict between vegetation and levees, a California Levees Roundtable (Roundtable) was created in August 2007 by senior level officials representing the Corps,

the CVFPB, Department of Water Resources (DWR), the Federal and State Resource Agencies (U.S. Fish & Wildlife Service, National Marine Fisheries Service and the California Department of Fish & Game), and representative local flood agencies, including SAFCA. The Roundtable agencies agreed to work together to draft a phased system-wide levee vegetation plan, with short and long-term elements.

The Roundtable has focused its recent efforts on developing a framework document which would maintain California's eligibility for emergency levee repairs through the Corps' Public Law 84-99 program (PL 84-99). The PL 84-99 program provides assistance for flood emergency preparation, emergency flood fights, and the rehabilitation of damaged flood facilities after floods.

The framework document will allow California flood agencies to retain most trees which are currently growing on their levees while the State and the Corps jointly develop long-term flood improvement management plans over the next several years.

SAFCA anticipates the PL 84-99 framework document will be completed in early September, at which time it will be posted on the SAFCA website.

FLOOD INSURANCE

The Natomas Basin will be mapped into the FEMA regulated 100-year flood plain (Zone AE) on December 2 (Sutter County) and December 8 (Sacramento County and City of Sacramento). As a result of this mapping change, flood insurance will be required for properties that have a federally backed loan. If you don't already have flood insurance, SAFCA recommends that you obtain flood insurance prior to the new designation taking affect. The City and Counties will be conducting outreach efforts to further explain the changes in floodplain mapping and how it can affect you in the coming months. Additional information can be located on their respective web sites:

City of Sacramento:

<http://www.cityofsacramento.org/utilities/>

County of Sacramento:

<http://www.msa.saccounty.net/waterresources/>

County of Sutter:

<http://www.co.sutter.ca.us/doc/government/depts/pw/wr/fp/fphome>

CONTACT

If you would like additional information about the Program, Gualco Consulting has been assigned by SAFCA to respond to questions and comments by the community. Please feel free to contact Barbara Gualco or Jay Davis by telephone at (916) 351-0600 or by email at jdavis@gualco.com.