

**TO: Sacramento Area Flood Control Agency  
Board of Directors**

**FROM: Jason D. Campbell, Deputy Executive Director  
(916) 874-7606**

**SUBJECT: INFORMATION - PRESENTING FISCAL YEAR 2021-22 PROPOSED  
BUDGET**

**OVERVIEW:**

This is an informational item presenting SAFCA's Proposed Budget for Fiscal Year (FY) 2021-22, reflecting an ongoing strategic approach to pursuing the Board's policy of reducing severe flood risks in the Sacramento area as quickly as possible.

**RECOMMENDATION:**

Following the Board's review of the Proposed Budget for FY 2021-22, staff will present a Final Proposed Budget for the Board's review and approval at SAFCA's regular Board of Director's Meeting on June 17, 2021. No action is required at this time.

**MEASURES/EVALUATION:**

Not applicable.

**FISCAL IMPACT:**

The draft Proposed Budget anticipates \$120.17 Million in expenditures to be funded by estimated prior year fund balances, aid from local government, State aid, bond proceeds, assessments, and development impact fees.

**ENVIRONMENTAL IMPACT:**

Not applicable.

**BACKGROUND**

The Sacramento Area Flood Control Agency (SAFCA) is a Joint Powers Authority, which was formed in October 1989 to lead flood control improvement efforts for the Sacramento Area in the aftermath of the February 1986 flood.

The major levees protecting Sacramento are part of a system of Federally authorized and State of California authorized levees and reservoirs, which protect the flood-prone lowlands of the Sacramento Valley. Improvements to this flood control system are typically cost-shared with both the Federal government and the State of California in an evolving partnership framed by Federal

and State laws. Since its inception, SAFCA has partnered with the Federal Government through the U.S. Army Corps of Engineers (USACE) and the State through the Central Valley Flood Protection Board (CVFPB) to authorize, fund, and construct major Federal flood control projects.

Federal and State authorizations and appropriations, as well as a framework of Federal and State laws, dictate largely how SAFCA's flood control efforts are performed. SAFCA's operations, including flood infrastructure and environmental improvements, are planned, permitted, designed, constructed, and operated.

SAFCA's FY 2021-22 Proposed Budget identifies SAFCA's anticipated costs associated with the continuing efforts to advance the flood protection of the Sacramento in cooperation Federal, State and local partners.

## **DISCUSSION**

The \$120.17 Million of operational and project costs included in the Agency's FY 2021-22 Proposed Budget are presented in more detail in Exhibits A-D. SAFCA's contribution to these activities are funded by one or more of the following sources: the Operations and Maintenance Assessment District No. 1 (O&M), the Consolidated Capital Assessment District No. 2 (CCAD2), the Natomas Basin Local Assessment District (NBLAD), and the Development Impact Fee (DIF) Funds. The following discussion is organized around these funding sources.

### **Operation and Maintenance Assessment District No. 1 Fund (O&M)**

#### **\$7.98 Million in Expenditures**

The O&M fund represents SAFCA's general operations fund. The FY 2021-22 budget for the O&M fund covers a wide range of activities including general administration, planning, and operations and maintenance and includes **\$3.41 Million for SAFCA's Salaries and Benefits**. The Agency's personnel position allocations and related salaries for eighteen full-time staff and one part-time retired annuitant positions are included in Attachment 1 to Exhibit A of this report. Agency staff performs the administrative operations, general planning, and administration of programs and provides project management and oversight of flood improvement efforts. The proposed salary and benefit expenses include appropriations for potential ancillary benefits, retirement, and salary Cost of Living adjustments during FY 2021-22. In FY 2019-20, SAFCA fully funded the Agency's Other Post Employment Benefit (OPEB) and pension liabilities through the PARS 115 trust. The fully funded PARS 115 trust is not included in the Proposed Budget appropriations.

The proposed **\$5.33 Million in services and supplies** expenditures supports Agency-wide expenses such as liability insurance, leased office space, assessment district administration, and general legal services. Staff proposes ongoing efforts to improve Agency data management and the continued performance of operations and maintenance activities for mitigation sites and drainage pumping facilities that are not attributable to other Agency assessment funds. The O&M budget includes **\$520,020 in other charges** that includes flood insurance premiums associated with the Beach Stone Lake area and contributions to the American River Flood Control District

for levee maintenance in the Ueda Parkway, Mayhew, Robla Creek, and Dry Creek areas. The Proposed FY 2021-22 Budget also includes appropriations of **\$933,750** for flood managed aquifer recharge activities in the southern part of Sacramento County.

The proposed O&M fund budget financing anticipates a FY 2020-21 **fund balance of \$1.33 Million**. Estimated revenues for FY 2021-22 is **\$6.40 Million**, consisting of **\$6.3 Million from O&M assessments** and the remaining **\$100,000 from interest earned on the reserves**. In addition, **\$200,000** in reimbursement from Omochumne Hartnell Water District is anticipated for the groundwater recharge activities in southern part of Sacramento County. Staff anticipates **\$2.72 Million in reimbursements** from other SAFCA funds for chargeable labor costs related to project and program activities. For additional detail regarding the Proposed O&M fund budget, please see Exhibit A to this report.

### **Development Impact Fee Fund (DIF)**

#### **\$31.28 Million in Expenditures**

The DIF fund provides capital project funding and related activities as described in the adopted fee program. The Proposed FY 2021-22 Budget includes **\$28.5 Million for support of projects, including, \$23.25 Million** for the Lower Elkhorn Basin Levee Setback (LEBLS) Interior Drainage and Pump Station projects, **\$725,000** for the Elkhorn Basin activities, and **\$2 Million** for Yolo Bypass and Upstream Reservoir planning. Approximately **\$2.5 Million** in additional work is being performed to analyze options to address the Sankey Gap efforts in relation to the Sutter Pointe Specific Plan, continue assistance to regional partners for work on the Yolo Bypass, review potential opportunities on the upper American River needed to achieve 500-year flood protection, and continued efforts to address the Beach Stone Lake flood issues in the southern part of Sacramento County.

Included in the Proposed Budget is **\$11,700 in Services and Supplies** related to ongoing administration of the DIF Program, including provision of engineering services associated with the development impact fee administration and payment of Yolo County taxes and flood insurance premiums associated with SAFCA's agreement with the Sacramento Valley Conservancy on preserving agricultural lands in the Upper Elkhorn Basin. Additional expenditures include **\$1.46 Million in Contingency** for unanticipated project expenditures. The Proposed Budget includes a conservative **revenue estimate of \$6.40 Million in DIF proceeds, \$13.95 Million in State reimbursement for the LEBLS and Bryte Landfill Projects, and \$100,000 in interest earned from reserves**. Staff will continue to monitor State funding given the significant revisions to the State budget in response to the Coronavirus Disease 2019 (COVID-19) Pandemic. For additional details regarding the Proposed DIF fund budget, please see Exhibit B to this report.

### **Natomas Basin Local Assessment District Fund (NBLAD)**

#### **\$15.89 Million in Expenditures**

The NBLAD fund supports the Series 2014 bond debt service and flood control efforts in the Natomas Basin. Beyond debt service, the NBLAD assessments support proposed expenditures of **\$129,900** for engineering services necessary to prepare the tax roll and levy for the NBLAD assessments in FY 2021-22, and charges from the Sacramento County Auditor Controller for servicing the NBLAD fund. Operating transfers and contingencies for projects in the Natomas Basin have been appropriated in the amount of **\$15.76 Million** for land acquisitions or other project related costs.

**Revenues are projected at \$125,629** primarily from interest earned on the reserves and net proceeds from NBLAD assessments collected. For additional detail regarding the NBLAD fund budget, please see Exhibit C this report.

### **Consolidated Capital Assessment District No. 2 Fund (CCAD2)**

#### **\$80.02 Million in Expenditures**

The CCAD2 is the primary source for project expenses associated with and described in the CCAD2 Engineer's Report. The Proposed FY 2021-22 Budget provides approximately **\$33.84 Million for the American River Common Features 2016 Project (ARCF 2016), \$30.35 Million for the Federally led Natomas Basin Project; \$3.25 Million for the closeout of the Folsom Dam Joint Federal Project (JFP), the JFP Water Control Manual, the ongoing construction of the Folsom Dam Raise and the Folsom Dam Temperature Control Shutters.**

CCAD2 appropriations also include **\$1.12 Million in Urban Level of Flood Protection (ULOP)** related efforts.

In addition, the Proposed Budget includes appropriations for closeout activities of the Natomas Levee Improvement Program, Early Implementation Program (EIP), the American River Common Features 1996/99 Project, and the South Sacramento Streams Group Project. A summary of Project Appropriations is included in Attachment 1 of Exhibit D to this report.

CCAD2 appropriations include **\$2.16 Million in Services and Supplies**, including \$963,914 for maintenance activities of properties and facilities owned by SAFCA, \$809,000 for Engineering Services to support, Agency planning and design activities, and \$385,000 related to environmental services.

The CCAD2 fund also supports **\$3.17 Million in maintenance expenses by Other Agencies** including Reclamation District No. 1000, American River Flood Control District, the City of Sacramento, and the County of Sacramento.

The majority of expenditures included in the CCAD2 fund are for project construction (\$45.92 Million), the acquisition of land related to those efforts (\$20.88 Million), and project

administration costs (\$1.97 Million). Staff also recommends Appropriations of **\$3.81 Million in Contingencies** for unanticipated costs.

Anticipated sources for the \$80.02 Million in CCAD2 expenditures include the anticipated FY 2020-21 **fund balance of \$22.26 Million and \$18.73 Million in reserve release of bond proceeds. Staff estimates \$23.83 Million in State Reimbursements, \$15.00 Million in transfers from NBLAD, and approximately \$198,000 in interest earned and assessments.** For additional details regarding the CCAD2 fund budget, please see Exhibit D to this report.

### **FINANCIAL IMPLICATIONS**

The budget anticipates that the following funds will be used to finance the proposed \$120.17 Million in expenditures budgeted for FY 2021-22:

#### **Estimated prior year fund balances \$45.77 Million:**

- O&M Fund                   \$    1.33 Million
- NBLAD Fund                 \$  11.35 Million
- DIF Fund                    \$  10.83 Million
- CCAD2 Fund                \$  22.26 Million

#### **Estimated Reserve Release of \$23.18 Million:**

- O&M Fund                   \$    0.04 Million
- NBLAD Fund                 \$    4.41 Million
- CCAD2 Fund                \$  18.73 Million

#### **Anticipated Revenues of \$44.78 Million:**

- State Revenue             \$  37.98 Million
- DIF Revenue                \$    6.40 Million
- Investment Interest        \$       400,000

#### **Assessments (Net of Debt Service) \$6.32 Million:**

- O&M Fund                   \$    6.30 Million
- NBLAD Fund                 \$       25,629

### **POLICY IMPLICATIONS**

The Proposed FY 2021-22 Budget reflects an ongoing approach to pursuing the Board's policy of reducing the severe flood risks in the Sacramento area as quickly as possible. SAFCA continues to work with various sources of local, State, and Federal funding sources. The budgeted expenditures include SAFCA's contributions to ongoing Federal projects to modify Folsom Dam; local and State funds to continue progress on the Federal portion of the work on the levees

protecting the Natomas Basin; funds for SAFCA to continue with the Federal Sacramento River East Levee, and construction on the North Area Streams Projects as part of the ARCF 2016 Project; and continued support of ongoing operations of SAFCA and local maintaining agencies.

**RECOMMENDATION**

Following the Board's review and input regarding the Proposed Budget for FY 2021-22, staff will prepare a Final Proposed Budget for the Public Hearing scheduled for SAFCA's regular Board of Director's Meeting on June 17, 2021. No action is required at this time.

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Attachment(s)

**SACRAMENTO AREA FLOOD CONTROL AGENCY**  
**FUND 325A - Fund Center 3252661 - O & M Assessment District No. 1**  
**Fiscal Year 2021/22 Proposed Budget**

<b>Appropriations and Financing by Object</b>	<b>FY21/22 Proposed Budget</b>
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**Appropriations**

10 Salaries and Benefits	\$ 3,409,548
20 Services and Supplies	5,328,410
30 Other Charges	520,020
41 Land Acquisition	-
45 Infrastructure	933,750
50 Interfund Charges	-
59 Interfund Transfer	-
60 Intrafund Charges	-
69 Intrafund Transfer	(2,720,623)
74 Provision for Reserve	-
79 Appropriation for Contingency	509,586
<b>Total Appropriations</b>	<b>\$ 7,980,691</b>

**Financing**

71 Prior Year Fund Balance	1,333,007
71 Reserve Release	44,684
94 Interest Income	100,000
95 Government Grants/Aids	200,000
96 Special Assessment	6,300,000
97 Other Revenue	3,000
<b>Total Financing</b>	<b>\$ 7,980,691</b>

**SACRAMENTO AREA FLOOD CONTROL AGENCY**  
**Full Time Equivalency-Salary Range**  
**FUND 325A - Fund Center 3252661 - O & M Assessment District**  
**Fiscal Year 2021/22**

Position	FTE	Salary Range	
		Step 1	Step 8
Accountant	1	\$ 58,993	\$ 88,489
Administrative Technician	1	\$ 51,986	\$ 74,442
Administrative Officer	1	\$ 86,811	\$ 122,152
Agency Counsel	1	\$ 153,492	\$ 207,665
Associate Civil Engineer	1	\$ 96,770	\$ 128,778
Contracts Specialist	1	\$ 58,993	\$ 88,489
Deputy Executive Director	1	\$ 136,201	\$ 203,748
Director of Engineering	2	\$ 126,135	\$ 170,653
Director of Planning	1	\$ 130,514	\$ 199,540
Director of Planning (Retired Annuitant)	0.5	\$ 65,257	\$ 99,770
Executive Director	1	\$ 144,749	\$ 217,123
Executive Secretary / Clerk of the Board	1	\$ 55,635	\$ 79,668
Principal Engineer	1	\$ 106,164	\$ 149,742
Principal Planner	1	\$ 106,164	\$ 149,742
Real Estate Manager	1	\$ 91,382	\$ 128,583
Secretary	1	\$ 37,414	\$ 52,651
Senior Accountant	1	\$ 64,900	\$ 97,343
Senior Natural Resources Specialist III	1	\$ 62,456	\$ 93,677
<b>Total FTE</b>	<b>18.5</b>		

FY2021/22 Position Adds and Deletes			
Position	Delete	Add	Total FTE

**SACRAMENTO AREA FLOOD CONTROL AGENCY**  
**FUND 325F - Fund Center 3252666 - Development Impact Fee**  
**Fiscal Year 2021/22 Proposed Budget**

Appropriations and Financing by Object	FY21/22 Proposed Budget
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**Appropriations**

10 Salaries and Benefits	-
20 Services and Supplies	11,700
30 Other Charges	722,000
41 Land Acquisition	150,000
45 Infrastructure	27,647,525
60 Intrafund Charges	747,385
69 Intrafund Transfer	-
74 Provision for Reserve	539,670
79 Appropriation for Contingency	1,463,931
<b>Total Appropriations</b>	<b>\$ 31,282,211</b>

**Financing**

71 Prior Year Fund Balance	10,832,211
71 Reserve Release	-
94 Interest Income	100,000
95 State Grants	13,950,000
96 Development Fees	6,400,000
97 Other Revenue	-
<b>Total Financing</b>	<b>\$ 31,282,211</b>

**SACRAMENTO AREA FLOOD CONTROL AGENCY**  
**FUND 325G - Fund Center 3252668 - Natomas Basin Local Assessment District**  
**Fiscal Year 2021/22 Proposed Budget**

Appropriations and Financing by Object	FY21/22 Proposed Budget
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**Appropriations**

10 Salaries and Benefits	\$ -
20 Services and Supplies	129,900
30 Other Charges	-
41 Land Acquisition	-
45 Infrastructure	-
50 Interfund Charges	15,000,000
59 Interfund Transfer	-
74 Provision for Reserve	-
79 Appropriation for Contingency	756,495
<b>Total Appropriations</b>	<b><u>\$ 15,886,395</u></b>

**Financing**

71 Prior Year Fund Balance	11,350,202
71 Reserve Release	4,410,564
94 Interest Income	100,000
95 State Grants	-
96 Special Assessment	25,629
97 Other Revenue	-
<b>Total Financing</b>	<b><u>\$ 15,886,395</u></b>

**SACRAMENTO AREA FLOOD CONTROL AGENCY**  
**FUND 325H - Fund Center 3252671 - 75 Consolidated Capital Assessment District No. 2**  
**Fiscal Year 2021/22 Proposed Budget**

Appropriations and Financing by Object	FY21/22 Proposed Budget
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**Appropriations**

10 Salaries and Benefits	\$ -
20 Services and Supplies	2,157,914
30 Other Charges	5,285,800
41 Land Acquisition	20,875,000
45 Infrastructure	45,918,937
59 Interfund Transfer	(15,000,000)
60 Intrafund Charges	1,973,238
69 Intrafund Transfer	-
74 Provision for Reserve	-
79 Appropriation for Contingency	3,810,545
<b>Total Appropriations</b>	<b>\$ 65,021,434</b>

**Financing**

71 Prior Year Fund Balance	22,261,814
71 Reserve Release	18,728,933
94 Interest Income	100,000
95 State Reimbursements	23,832,454
96 Special Assessment	98,233
97 Other Revenue	-
<b>Total Financing</b>	<b>\$ 65,021,434</b>

**SACRAMENTO AREA FLOOD CONTROL AGENCY**  
**Project Appropriations**  
**Fiscal Year 2021-22 Proposed Budget**

**Projects Funded by Fund 325A (O & M District No. 1)**

<b>Project Name</b>	<b>Amount</b>
Ground Water Management/Omochumne	\$ 533,750
Groundwater Recharge and Swainson's Hawk Rehab	\$ 400,000
<b>Total Projects - Fund 325A</b>	<b>\$ 933,750</b>

**Projects Funded by Fund 325F (Development Impact Fees)**

<b>Project Name</b>	<b>Amount</b>
DIF (Beach Lake, Sankey, Westside & Lower Yolo)	\$ 2,494,525
ARCF 2016 - Weir/Bypass (LEBLS ID & PS)	\$ 23,250,000
Elkhorn Basin	595,000
Elkhorn Basin - Bryte Landfill	30,000
Elkhorn Basin - LEBLS	100,000
Sac River - GRR	750,000
Upstreams Reservoirs	1,250,000
<b>Total Projects - Fund 325F</b>	<b>\$ 28,469,525</b>

**Projects Funded by Fund 325H (CCAD2)**

<b>Project Name</b>	<b>Amount</b>
ARCF 2016	\$ 33,836,937
FDR - Dam Raise	1,500,000
FDR - Temperature Shutters	100,000
Folsom JFP	1,654,000
Natomas Federal	30,353,000
Natomas - Local NLIP	60,000
Sac Bank	20,000
SSSG - Federal	50,000
WRDA 96/99	100,000
ULOP/Levee Modernization	1,120,000
<b>Total Projects - Fund 325H</b>	<b>\$ 68,793,937</b>

**Total Capital Improvement Projects** **98,197,212**