



# REPORT TO COUNCIL 5

## City of Sacramento

915 I Street, Sacramento, CA 95814-2604  
www. CityofSacramento.org

Consent  
December 4, 2007

Honorable Mayor and  
Members of the City Council

**Title: City/SAFCA Levee Maintenance Funding Agreement**

**Location/Council District: All**

**Recommendation:** Adopt a **Resolution** 1) Authorizing the City Manager to enter into an agreement with the Sacramento Area Flood Control Agency (SAFCA) that the City of Sacramento will operate and maintain levees along the Sacramento River and South Sacramento Streams Group and that SAFCA will transfer funds annually from its Consolidated Capital Assessment District (CCAD) to fund this operation and maintenance work; and 2) Amend the FY2007/08 revenue and expenditure budgets to add \$410,000 from SAFCA in Fund 248 for Organization 3343.

**Contact:** Jeff Heard, Drainage Superintendent, 808-6955

**Presenters:** N/A

**Department:** Utilities

**Division:** Field Services

**Organization No:** 3343

### **Description/Analysis**

**Issue:** Recent improvements have brought Sacramento River and South Sacramento Streams Group channels to U.S. Army Corps of Engineers Standards for flood protection and increased and improved stormwater conveyance. The City is the local maintaining agency and must maintain these project levees to the Corps standards. Funding provided by the agreements with SAFCA will facilitate this work while limiting the use of the Utilities Drainage Fund.

**Policy Considerations:** The agreement will help the City to remain in compliance with federal standards for levee maintenance.

**Environmental Considerations:** Pursuant to the exclusion of government funding mechanisms from the definition of a "project" as specified in California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(4), adoption of the resolution is not subject to CEQA. In the alternative, this project is currently exempt from CEQA under Section 15301 of the Guidelines, "Operation of existing public structures or facilities involving no expansion of use."

**Rationale for Recommendation:** Entering into these agreements will secure a current and future source of operational funding to ensure a consistent level of maintenance for flood control levees, as prescribed by the U.S. Army Corps of Engineers.

**Financial Considerations:** Approving the agreement will have a positive impact on the drainage fund. SAFCA will provide annual funding for operations and maintenance of levees maintained by the City along the Sacramento River and the South Sacramento Streams Group. These funds are provided by SAFCA's Consolidated Capital Assessment District (CCAD). The amount of \$410,000 will be added to the Department of Utilities as a reimbursement to the operations and maintenance of levees funded by the Storm Drainage Fund (Fund 425) in FY2007/08 and in FY2008/09 for Organization 3343.

In FY 2009/10, the amount will increase to \$460,000. Thereafter it will increase proportional to an escalation index determined by the City and SAFCA, and if necessary, reallocated in a manner consistent with the Engineer's Report. At no time will the funding to the City be decreased.

**Emerging Small Business Development (ESBD):** None

Respectfully Submitted by:

  
Jeff Heard, Drainage Superintendent

Approved by:

  
Gary A. Reents, Director

Recommendation Approved:

  
Ray Kerridge  
City Manager

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**Attachment 1****Background**

In February 2007, the residents of Sacramento overwhelmingly passed an assessment to address flood control issues in our community. The funding from this assessment, known as the Consolidated Capital Assessment District (CCAD), is distributed by SAFCA to local agencies that maintain and operate levees and is used for flood control improvements.

The City of Sacramento Department of Utilities maintains and operates 64 miles of levees, including 3.63 miles of levee along the Sacramento River and all of the levees along the South Sacramento Streams Group within City limits. Additionally, the City operates and maintains 57 relief wells on the Sacramento River and Beach Lake levee systems that assist in flood control.

SAFCA and the City of Sacramento Department of Utilities Field Services and Engineering staff have met and discussed the scope and costs of operating and maintaining the City's portions of the Sacramento River levees and the South Sacramento Streams Group Levees. The City and SAFCA have agreed that the CCAD should cover a portion of the City's operation and maintenance costs regarding these levees and relief wells.

On July 19, 2007 the SAFCA Board of Directors passed a resolution allowing the Executive Director to enter into agreements with the City. In the agreement awaiting City approval, SAFCA will provide \$410,000 in FY2007/08 and FY2008/09 to the City for operations and maintenance of the Sacramento River and South Sacramento Streams Group levees. In FY 2009/10, SAFCA will provide \$460,000 to the City for operations and maintenance of the Sacramento River and South Sacramento Streams Group levees. Thereafter, it will rise in proportion to an escalation index to be determined by the parties, and if appropriate, reallocated in a manner consistent with the Engineer's Report. In no event shall the amount to the City be decreased.

Staff recommends that Council approve the agreement with SAFCA to distribute the funding from the CCAD to the City for operations and maintenance costs associated with the levees.

**RESOLUTION NO.**

Adopted by the Sacramento City Council

**CITY/SAFCA LEVEE MAINTENANCE FUNDING AGREEMENTS**

**BACKGROUND**

- A. In February 2007, the residents of Sacramento overwhelmingly passed an assessment to address flood control issues in our community. The funding from this assessment, known as the Consolidated Capital Assessment District (CCAD), is distributed by Sacramento Area Flood Control Agency (SAFCA) to local agencies that maintain and operate levees and is used for flood control improvements.
- B. The City of Sacramento Department of Utilities maintains and operates 64 miles of levees, including 3.63 miles of levee along the Sacramento River and all of the levees along the South Sacramento Streams Group within City limits. Additionally, the City operates and maintains 60 relief wells on the Sacramento River and Beach Lake levee systems that assist in flood control.
- C. The City and SAFCA have agreed that the CCAD should cover a portion of the City's operation and maintenance costs regarding the Sacramento River and South Sacramento Streams Group levees and relief wells within City limits.
- D. On July 19, 2007, SAFCA agreed that it will provide \$410,000 in FY2007/08 and FY2008/09 to the City for operations and maintenance of the Sacramento River and South Sacramento Streams Group levees. In FY2009/10, the amount will increase to \$460,000 to the City. Thereafter, it will rise in proportion to an escalation index to be determined by the parties, and if appropriate, reallocated in a manner consistent with the Engineer's Report. In no event shall the amount to the City be decreased.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Council authorizes the City Manager to execute the attached agreement with SAFCA and any escalation index regarding CCAD funding for levee maintenance and operations of the Federal-State levees protecting properties within the CCAD.
- Section 2. The revenue and expenditure budgets are amended for FY2007/08 to add \$410,000 from SAFCA in Fund 248 for Organization 3343.

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- Exhibit A Copy of City/SAFCA Levee Maintenance Funding Agreement- 2 Pages

**AGREEMENT**

This Agreement shall be effective the 19th day of July, 2007 by and between the Sacramento Area Flood Control Agency, a public entity of the State of California formed as a joint powers agency ("SAFCA") and the City of Sacramento, a municipal corporation formed under the laws of the State of California ("City") in consideration of the covenants hereinafter set forth.

**RECITALS:**

- A. After successfully concluding a hearing and ballot approval procedure under Proposition 218, SAFCA has formed the Consolidated Capital Assessment District ("CCAD") which authorizes the levying and collection of special benefit assessments commencing in calendar year 2007, and annually thereafter. These assessments will cover the local share of the cost of improving Folsom Dam and the levee system protection the Sacramento area so as to provide the area with "200-year" urban standard flood protection. A substantial portion of the improvement program will focus on levees along the Sacramento River and the South Sacramento Streams Group that are operated and maintained by the City.
- B. SAFCA anticipates that the City will operate and maintain the improved levees under its jurisdiction in the Sacramento River and South Sacramento Streams Group areas in accordance with the now existing U.S. Army Corps of Engineers levee maintenance standards and State Reclamation Board guidelines, with funds provided in part by the new assessment. Toward this end, the City and SAFCA discussed the scope and cost implications of this activity and agreed that SAFCA should include an element in the Sacramento River and South Sacramento Streams Group portions of the CCAD, to be levied in 2007-08 and annually thereafter (the "SAFCA Natomas Assessment"), to cover a portion of the City's operation and maintenance (O&M) expenses.

**AGREEMENT:**

1. SAFCA agrees that its CCAD will include the sum of \$410,000 for system operation and maintenance to be raised for the City in Fiscal Year 2007-08 and FY 2008-09. This amount will rise to \$460,000 in FY 2009-10. Thereafter, it will rise in proportion to an escalation index to be determined by the parties, and if appropriate, reallocated in a manner consistent with the Engineer's Report. In no event shall the amount to be collected for the City be decreased. These sums will be provided to the City in support of its O&M expenses for levees along the Sacramento River and the South Sacramento Streams Group.
2. If and to the extent that the anticipated cost of operating and maintaining the improved levees and related facilities exceeds the amount to be raised and collected for the City by SAFCA hereunder, the City may request in writing a reasonable increase in the amount to be so raised and collected, and SAFCA shall accommodate such request to the extent that it is reasonably able to do so.

- 3. The City will retain all of its own O&M assessment authority (including the right to create a new Assessment Roll upon compliance with Proposition 218).
- 4. That portion of SAFCA's 2007-08 assessment, and annual assessments thereafter, within the Sacramento River and South Sacramento Streams Group areas for the City's O&M expenses shall be separately identified and, reasonably promptly after collection, placed in a segregated account earmarked for transfer to the City.
- 5. SAFCA agrees to undertake commercially reasonable efforts to collect its 2007-08 assessment and to levy and collect subsequent years' annual assessment and pay to the City that proportion of the amount assessed within the Sacramento River and South Sacramento Streams Group areas for the City's O&M expenses as set forth in paragraph 1. hereof reasonably promptly after collection thereof.
- 6. The City shall have the right to examine and audit the books and records of SAFCA with reference to its 2007-08 assessment and annual assessments thereafter with regard to amounts to be raised for the benefit of The City's O&M expenses.
- 7. This agreement shall automatically renew on an annual basis unless terminated by both of the parties.

CITY OF SACRAMENTO

By: \_\_\_\_\_

SACRAMENTO AREA FLOOD CONTROL AGENCY

By: Stein M. Buer

Stein M. Buer, Executive Director

APPROVED AS TO FORM:

[Signature]  
CITY ATTORNEY