

COUNTY OF SACRAMENTO
CALIFORNIA

A-1

APPROVED
BY RESOLUTION# 2009-0109
BOARD OF SUPERVISORS

FEB 24 2009
By Cyrus Lee
Clerk of the Board

For the Agenda of:
February 24, 2009
Timed: 11:00am

To: Board of Supervisors

From: Sacramento County Airport System

Subject: Approve Resolution Authorizing County Executive To Execute Master Agreement Between The County Of Sacramento And The Sacramento Area Flood Control Agency Regarding The Natomas Levee Improvement Program (NLIP) And Related Agreements Implementing The NLIP

Supervisory District: All

Contact: G. Hardy Acree, Director of Airports, 874-0600

Overview

On November 19, 2008 the Sacramento County Airport System (County Airport System) and the Sacramento Area Flood Control Agency (SAFCA) completed a three-year effort to define roles and responsibilities for implementing elements of the comprehensive Natomas Levee Improvement Program (NLIP) on County-owned land at Sacramento International Airport (International Airport). The conceptual arrangement between the two entities is described in a jointly published document titled *A Collaborative Approach for Providing Flood Protection and Continuity of Airport Operations In the Natomas Basin*. Implementation of the NLIP on airport land requires execution of a Master Agreement, followed by a number of related agreements, easements, and other documents.

Recommendation

Approve the attached Resolution, which authorizes the County Executive to execute the Master Agreement Between The County Of Sacramento and the Sacramento Area Flood Control Agency Regarding the Natomas Levee Improvement Program in the form attached hereto, and which authorizes the County Executive or his designee to execute the additional agreements and easements necessary to implement the Master Agreement.

Measures/Evaluation

The proposed action will ensure the operational continuity of International Airport and its important role in the regional economy by providing protection against a catastrophic flood, while at the same time improving the airport's operational safety, and facilitating acquisition of land needed for future airport expansion.

Fiscal Impact

The County Airport System and SAFCA will incur costs as a result of the contemplated action. It is estimated that the net cost to the County Airport System will be \$2,036,859, to be paid from the Airport Enterprise Fund at the conclusion of the project. There will be no impact on the

County General Fund. Application of the 11 Point Plan is not applicable to this item.

BACKGROUND

On November 19, 2008, the County Airport System and SAFCA concluded three years of negotiations for a comprehensive program of flood protection in the Natomas Basin (Basin) by jointly issuing a report titled *A Collaborative Approach for Providing Flood Protection And Continuity of Airport Operations In the Natomas Basin, California* ("Collaborative Approach" report). This document describes the NLIP, with specific reference to the almost 6,000 acres comprising International Airport, and summarizes the elements of a collaborative arrangement on the design and construction of flood control and related improvements to be undertaken by SAFCA on airport land in Sacramento and Sutter Counties. The 54-page report is available on the SAFCA and County Airport System websites.

The flood control and airport improvements described in the Collaborative Approach report will accomplish the following shared objectives of the County Airport System and SAFCA:

- (1) significantly reduce the risk of flood damage to International Airport facilities and operations that would result from a failure of the Natomas Basin perimeter levee system;
- (2) support implementation of the Wildlife Hazard Management Plan (WHMP) for International Airport, and a reduction in wildlife hazards on and near the airport; and
- (3) facilitate long-term plans for expansion of the Airport Operations Area (AOA) to reflect contemplated additional and extended runways in accordance with the International Airport master plan approved by the Board of Supervisors on August 7, 2007.

In summary, the elements of the collaborative arrangement include:

- Raising and strengthening the Sacramento River east levee through construction of a new adjacent levee and associated seepage remediation, and operation and maintenance features on Airport land adjacent to the levee. (See Exhibit 1 – Typical Cross Section, Stability and Seepage Berm, Natomas Levee Improvement Program).
- Relocating the existing Elkhorn Irrigation Canal partially located on airport land to accommodate the flood control (levee) footprint northwest of the AOA.
- Obtaining up to four million cubic yards of soil "borrow" material for levee improvements from approximately 768 acres of airport operational compatibility "bufferlands" north of Elverta Road and south of the Sacramento County line. (See Exhibit 2 - Flood Control Footprint on Airport Land and Airport Northern Bufferlands Borrow Material Area). Following borrow operations, the drainage pattern of this area will be improved to reduce potential hazardous wildlife attractants.
- Re-contouring and redesigning the Airport West Ditch that currently traverses the west side of the AOA, parallel to Runway 16R/34L, and constructing a new drainage canal partly on Airport land parallel to the Elkhorn Irrigation Canal. This project element will replace the current agricultural irrigation, off-airport drainage and giant garter snake¹ aquatic habitat functions provided by the Airport West Ditch. Standing water in the Airport West Ditch was identified by the Federal Aviation Administration (FAA) in

¹ The giant garter snake is listed as "threatened" pursuant to the federal and State Endangered Species Acts.

November, 2005 as a potential attractant to waterfowl and other wildlife hazardous to airport operations.

- Removing trees from the flood control footprint on airport land in the Airport Critical Zone (defined as a 10,000-foot radius from the runways of airports supporting turbine-powered aircraft), and mitigating the habitat impacts of the tree removal by establishing replacement vegetation on airport land in Sutter County.
- Facilitating future expansion of the AOA contemplated in the International Airport master plan by exchanging SAFCA-owned land abutting Garden Highway and south of Elverta Road for several parcels of airport land which the County of Sacramento owns in Sutter County. Trees and other vegetation will be planted on the parcels near Riego Road in Sutter County to mitigate riparian habitat impacts resulting from construction of the proposed adjacent setback levee elsewhere in the Natomas Basin. (See Exhibit 3 – Proposed County and SAFCA Land Exchange.)
- Financing for the above improvements that allocates costs to SAFCA and the County of Sacramento (County) based on the benefits received by each entity, in a manner which ensures compliance with the U.S. Department of Transportation (DOT) Policy and Procedures Concerning the Use of Airport Revenue, together with grant assurance commitments made by the County Airport System to the FAA in connection with the affected airport land.

DISCUSSION

SAFCA and County Airport System are committed to incorporating the elements summarized above into a series of real estate and contractual agreements that will permit SAFCA to award construction contracts for the flood control and related facilities no later than March, 2009. Expedited completion of these improvements will reduce International Airport's exposure to flood and wildlife hazards without imposing new financial obligations on the County beyond the shared obligation of all property owners in the 200-year floodplain to participate on an equitable basis in SAFCA's Consolidated Capital Assessment District.

The primary document that will implement the arrangement between the County and SAFCA is the proposed Master Agreement Between the County Of Sacramento and the Sacramento Area Flood Control Agency Regarding the Natomas Levee Improvement Program (Attachment 1). As described in the Master Agreement, it is contemplated that a series of subsequent agreements, easements and other legal arrangements will be put into effect following execution of the Master Agreement, in order to fully implement those elements of the NLIP on airport property. Those follow-on agreements include the following:

- Drainage Easements, which will enable SAFCA to: (1) construct new drainage canals; (2) construct a new Giant Garter Snake Drainage Canal (3) modify the Reclamation District 1000 West Drainage Canal and its associated easements; and (4) dewater and reconstruct the Airport West Ditch on behalf of the County Airport System.
- Flood Control Easements, including the East Levee Area Southern Buffer Lands on airport property.

- Temporary Construction Easement (TCE), which will provide for SAFCA's use of portions of the airport's northern bufferlands to obtain soil borrow material for construction of the new adjacent levee.
- Perpetual Water Facilities Easements, including Elkhorn Irrigation Canal and Relocation of the Borrow Area Irrigation Ditch.
- Utility relocation arrangements.
- Establishment of Land Use Rights and Exchanges of Real Property between the County and SAFCA.

MEASURES/EVALUATION

The proposed action will ensure the operational continuity of International Airport and its important role in the regional economy by providing protection against a catastrophic flood; and further improve airport operations by relocating an unneeded on-airport irrigation channel and modifying features on other airport lands that currently have the potential to attract hazardous wildlife. In addition, sensitive habitat impacted by the NLIP will be mitigated on property well outside the airport's Critical Zone, and the County will, at minimal transaction cost, acquire land needed for future expansion of the AOA. The proposed action will be evaluated on the basis of how well these objectives are achieved.

FINANCIAL ANALYSIS

Attachment 2 summarizes the estimated costs to SAFCA and to the County Airport System associated with the implementation elements of the Master Agreement. A single financial transaction will address any payment differential between SAFCA and the County. At this time it is estimated that the net difference at the conclusion of the project would result in a net payment of \$2,036,859 by the County Airport System to SAFCA, which would be paid by the Airport Enterprise Fund. Application of the 11 Point Plan is not applicable to this item.

LEGAL ISSUES

The Office of County Counsel reviewed and approved the Master Agreement.

FAA Grant Assurances

All of the land addressed in the Master Agreement was acquired with a combination of Airport Enterprise Funds and federal grants provided by the FAA. When airport owners or operators accept funds from FAA-administered financial assistance programs, the grant recipient must adhere to certain obligations (assurances), which require the recipient to operate and maintain the airport safely and efficiently in strict accordance with specified conditions. These assurances may appear in the final grant offer, or in restrictive covenants to property deeds.

Approve Resolution Authorizing County Executive To Execute Master Agreement Between The County Of Sacramento And The Sacramento Area Flood Control Agency Regarding The Natomas Levee Improvement Program (NLIP) And Related Agreements Implementing The NLIP

Page 5

The property comprising International Airport is therefore regarded by the FAA as "federally obligated land." Uses of such land for purposes other than those directly related to aviation activities may be subject to FAA review and assent. As such, the Master Agreement includes a clause stating that the County Airport System has evaluated the contemplated actions, and has concluded that nothing therein is in conflict with applicable grant assurances. The County Airport System has consulted with the FAA Western – Pacific Region regarding the NLIP, and has provided the "Collaborative Approach" report to the FAA for review. The FAA has not indicated an objection to the contemplated arrangement between SAFCA and the County.

Environmental Review

SAFCA is the lead agency for environmental review pursuant to the California Environmental Quality Act (CEQA). The United States Army Corps of Engineers (Corps) is the federal lead agency for environmental documentation under the National Environmental Policy Act (NEPA). The FAA is a federal Cooperating Agency for the NEPA review.

Respectfully submitted,

APPROVED:
TERRY SCHUTTEN
County Executive

G. HARDY ACREE, Director
Sacramento County Airport System

By: _____
NAVDEEP S. GILL
Chief Operations Officer

Attachments: Resolution

- Attachment 1 - Master Agreement Between The County Of Sacramento And The Sacramento Area Flood Control Agency Regarding The Natomas Levee Improvement Program (NLIP)
- Attachment 2 – Summary of Proposed Monetary Transaction Between SAFCA and the County of Sacramento
- Exhibit 1 – Typical Cross Section, Stability and Seepage Berm, Natomas Levee Improvement Program
- Exhibit 2 – Flood Control Footprint on Airport Land and Airport Northern Bufferlands Levee Borrow Material Area
- Exhibit 3 – Proposed County and SAFCA Land Exchange

**AUTHORIZE COUNTY EXECUTIVE TO EXECUTE
MASTER AGREEMENT BETWEEN THE COUNTY OF SACRAMENTO
AND THE SACRAMENTO AREA FLOOD CONTROL AGENCY
REGARDING THE NATOMAS LEVEE IMPROVEMENT PROGRAM (NLIP)
AND RELATED AGREEMENTS AND EASEMENTS IMPLEMENTING THE NLIP**

WHEREAS, the perimeter levee system in the Natomas Basin (Basin) within the Counties of Sacramento and Sutter is subject to an unacceptable risk of failure due to erosion and underseepage; and

WHEREAS, a catastrophic levee failure and resulting uncontrolled flood could inflict property damage losses of approximately Seven Billion Dollars (\$7 billion) in the Basin, and a prolonged interruption of commercial activity and transportation infrastructure; and

WHEREAS, the losses sustained from such a flood would include temporary cessation of commercial aviation activities at Sacramento International Airport (International Airport), which would require a substantial capital investment to repair or replace airport facilities, including runways, taxiways and passenger terminals; and

WHEREAS, International Airport is operated by the Sacramento County Airport System, an agency of the County of Sacramento; and

WHEREAS, the Sacramento Area Flood Control Agency (SAFCA) is a joint powers agency formed by the American River Flood Control District, the City of Sacramento, the County of Sacramento, the County of Sutter, and Reclamation District 1000; and

WHEREAS, SAFCA has developed the comprehensive Natomas Levee Improvement Program (NLIP) to correct the aforementioned flood control infrastructure deficiencies and thereby provide 100-year flood protection for the Basin in the short term, and ultimately 200-year flood protection; and

WHEREAS, SAFCA and the Sacramento County Airport System are in concurrence on a framework of shared objectives and strategies whereby various elements of the NLIP will

Authorize County Executive To Execute Master Agreement Between The County Of Sacramento And The Sacramento Area Flood Control Agency Regarding The Natomas Levee Improvement Program (NLIP) And Related Agreements And Easements Implementing The NLIP
Page 2

utilize property owned by the County of Sacramento (COUNTY), and under the operational control of the Sacramento County Airport System; and

WHEREAS, the Sacramento County Airport System and SAFCA have developed a Master Agreement, which memorializes the elements of the cooperative arrangement between the County of Sacramento and SAFCA, and serves as a framework for creating and implementing additional agreements and documents that are needed to implement the Master Agreement; and

WHEREAS, such additional agreements and documents include but are not limited to drainage easements, flood control easements, temporary construction easements for borrow material, perpetual water facilities easements, utility relocation agreements, establishment of real property rights, and agreements for real property exchanges between the COUNTY and SAFCA.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the County Executive is hereby authorized to execute on behalf of the County of Sacramento the Master Agreement Between The County Of Sacramento And The Sacramento Area Flood Control Agency Regarding The Natomas Levee Improvement Program (NLIP) in the form attached;

AND BE IT FURTHER RESOLVED AND ORDERED that the County Executive or his designee is hereby authorized to execute on behalf of COUNTY such additional agreements, easements and other documents necessary to implement the elements of the aforementioned Master Agreement between COUNTY and SAFCA.

Authorize County Executive To Execute Master Agreement Between The County Of Sacramento And The Sacramento Area Flood Control Agency Regarding The Natomas Levee Improvement Program (NLIP) And Related Agreements And Easements Implementing The NLIP
Page 3

On a motion by Supervisor Dickinson, seconded by Supervisor MacGlashan, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 24th day of February, 2009, by the following vote, to wit:

AYES: Supervisors, Dickinson, MacGlashan, Nottoli, Yee
NOES: Supervisors, None
ABSENT: Supervisors, Peters
ABSTAIN: Supervisors, None



In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on 2/24/09

By V. Rodgers
Deputy Clerk, Board of Supervisors

Suzanne Peters

Chair of the Board of Supervisors
of Sacramento County, California

FILED
BOARD OF SUPERVISORS

FEB 24 2009

BY Cyrdi Lee
CLERK OF THE BOARD

ATTEST: Cyrdi Lee
Clerk, Board of Supervisors