County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

THOMAS L. BOLICH
DIRECTOR OF PUBLIC WORKS

AGENDA: SEPTEMBER 23,2003

September 18,2003

SANTA CRUZ COUNTY BOARD OF SUPERVISORS
701 Ocean Street
Santa Cruz, California 95060

SUBJECT: STATUS REPORT ON THE RELINQUISHMENT OF THE PAJARO RIVER LEVEE PROJECT

Members of the Board:

On June 17,2003, your Board requested Public Works staff to return on this date with a status report on relinquishment of the Pajaro River Levee Maintenance Project. Since the June 17, 2003 report, staff has completed a lengthy public information process including numerous community and interested agency meetings and responded to numerous requests for information. Staff discussed issues of maintenance requirements, regulatory challenges, costs, and the county's interest in promoting a watershed-wide maintenance area boundary.

As previously requested, staff has provided volumes of information and documents to the State of California, Department of Water Resources, Division of Flood Management (DWR) for their use in preparing their proposed program and related costs of maintenance of the levee system. At this time, there are ***nu*** reportable developments regarding the state's actions. The State is working on the statement of necessary work, cost estimates, boundary proposals, necessary agreements with Monterey for cost sharing and delineation of responsibility, liability insurance and other issues related to a State take over of maintenance of the Pajaro River and tributaries.

Although the DWR has not yet acted, your Board has requested that staff develop a preliminary assessment on possible annual program costs distributed over various sized maintenance area boundaries. Although it is clearly premature to ***guess*** how the DWR will approach the issues listed above, there are several options which staff has developed in order provide additional information on the scope of the possibilities.

COSTS

To date, the DWR has provided draft estimates of start up costs and annual costs for projected maintenance activities. One time start up costs are estimated at approximately $270,000. Ongoing annual maintenance for the entire channel and the levees for which Santa Cruz is responsible is estimated at $580,000. The first concern is ***why*** the DWR would assume that the residents of Santa Cruz County would want to bear the burden of the costs which are the responsibility of Monterey County. As proposed, maintenance of the entire channel is included in the DWR estimates. ***This is not reasonable.*** Costs for channel related work should be shared equally by the Counties of Monterey and Santa Cruz. Staff would suggest, that the County's current maintenance costs ($365,000) are a more reasonable estimate of the costs that the DRW will incur, unless a dramatically different maintenance regime is proposed.

BOUNDARIES

There are several boundary proposals currently under discussion. These include:

1) ***Using a watershed wide boundary.*** This option has been advanced by the County of Santa Cruz to urge the state to consider distributing the costs to the residents in the four county watershed. Although we do not have sufficient data to determine the distribution of land within categories of residential, commercial, agricultural and other uses, we can make estimates to illustrate how such an approach would work. If the Santa Cruz County maintenance costs were doubled (assuming an equivalent amount were needed to provide for the Monterey County obligation) and these costs were distributed throughout the watershed, the charge would be less than $1 per acre annually. **As** a matter of public policy, upstream properties benefit from being able to discharge water into the Pajaro River and should bear proportional costs. This is the staffs first preference and County Counsel will provide arguments to the DWR and the Flood Prevention Authority in support of this option.

2) ***Using the Zone 7 boundaries.*** This option would be essentially the same approach as currently employed. Under this approach, the State may change the weighted benefit distributions, however, costs would be expected to be similar to those currently in place for residential and agricultural parcels. Costs to commercial/industrial parcels will likely double. Staff has put forth to the DWR that they cannot reduce the benefit area in Santa Cruz County to anything smaller than the existing Zone 7 boundary.

3) ***Using the FEMA 100-year floodplain.*** This option has been suggested by the DWR as a likely approach to be evaluated by their department. If the County accepts the DWR cost figures (which include costs that are appropriately attributable to Monterey County), existing Zone 7 fees are generally projected to double from existing Zone 7 fees for residential and agricultural properties and increase even more for commercial properties. Staff finds this approach unacceptable.

4) ***Using a modified FEMA 100 year floodplain.*** This approach would reduce the area included in option 3 to the area included in the Federal flood control project area. This would modestly increase costs above option 3. Staff finds this approach unacceptable.

As indicated above, given the numerous uncertainties surrounding the work of the DWR, staff is awaiting receipt of the State's final statement of necessary work which will help define the cost estimates. Once the issues raised are addressed, we will be in a position to begin to address the complex boundary matters discussed above.

We would like to acknowledge the concerns expressed by the community regarding the possible dramatic increases in fees to property owners. We share these concerns. We do not believe the proposed relinquishment should result in skyrocketing costs.

On June 10,2003, the Watsonville City Council approved Resolution No. 148-03 Opposing any Actions by the County of Santa Cruz Which Would Result in an Increase in Assessment for Levee Maintenance to Property Within the City of Watsonville. A copy is included as Attachment 1. The County has also clearly stated its opposition to increases in these assessments and has consistently urged that the state consider a watershed-wide maintenance area boundary or the system currently in use.

It is therefore recommended that your Board accept and file this report and direct Public Works to return on December 9,2003, with a further status report.

Yours truly,

THOMAS L. BOLICH
Director of Public Works

TLB:BLC:bbs

Attachment

RECOMMENDED FOR APPROVAL:

County Administrative Officer

Copy to: Monterey County Water Resources
Stein Buer, California Department of Water Resources
City of Watsonville, Public Works
Zone 7 Board of Directors
Public Works Department

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ZONE 7 & OF DIR

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RESOLUTION NO. 148-03 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE OPPOSING ANY ACTIONS BY THE COUNTY OF SANTA CRUZ WHICH WOULD RESULT IN AN INCREASE IN ASSESSMENT FOR LEVEE MAINTENANCE TO PROPERTY OWNERS WITHIN THE CITY OF WATSONVILLE

WHEREAS, the County of Santa Cruz, through the Pajaro Storm Drain Maintenance District ("PCSD") and the Santa Cruz County Flood Control and Water Conservation District ("Zone 7") has maintained the Pajaro River and Salsipuedes Creek levee system; and

WHEREAS, the County of Santa Cruz has determined that it may no longer be feasible for the County to properly maintain the levee system and is proposing to relinquish its maintenance to the State Department of Water Resources; and

WHEREAS, the County of Santa Cruz collects fees from owners within Zone and PCSD boundaries for levee maintenance; and

WHEREAS, if the State takes control of the Pajaro River Levee the assessment area may be defined as the 100-year flood, an area significantly smaller than Zone 7 and PCSD; and

WHEREAS, with a significantly smaller assessment area, property owners in the maintenance area would be required to pay higher rates.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the Council of the City of Watsonville hereby affirms its opposition to any action by the County of Santa Cruz resulting in an increase in assessment for levee maintenance to owners of property within the City, including relinquishment of maintenance responsibility of the Pajaro River levee to the California State Department of Water

ATTACHMENT 1

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Resources, should it be determined that such relinquishment would result in a smaller assessment area and higher fees to owners of property within the City.

2. That the City Clerk is hereby directed to transmit this resolution to the County of Santa Cruz and the California State Department of Water Resources.

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The foregoing resolution was introduced at a regular meeting of the City Council of the City of Watsonville, held on the 10th day of June, 2003, by Council Member Rivas, who moved its adoption, which motion being duly seconded by Council Member Skillicorn, was upon roll call carried and the resolution adopted by the following vote:

AYES:	COUNCIL MEMBERS:	Bersamin, de la Paz, Phares, Rivas, Skillicorn, Doering-Nielsen
NOES:	COUNCIL MEMBERS:	None
ABSENT:	COUNCIL MEMBERS:	Gomez

Judy Doering-Nielsen, Mayor Pro Tempore

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

PW&U

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