

AGENDA
JOINT MEETING OF THE
RENO CITY COUNCIL, SPARKS CITY COUNCIL
AND
THE WASHOE COUNTY COMMISSION
Tuesday
December 14, 2004
9:30 A.M.
RENO CITY COUNCIL CHAMBERS
ONE EAST FIRST STREET
RENO, NEVADA 89501

The Reno City Council Chambers are accessible to the disabled. If you require special arrangements for the meeting, please call 334-2401, 24-hours prior to the meeting.

Pursuant to NRS 241.020, the Agenda for the Joint Meeting between the Cities of Reno and Sparks and the Washoe County Commission has been posted at the following locations: Washoe County Administration Building (1001 E. 9th St.), Washoe County Courthouse-Clerk's Office (Court and Virginia Streets), Washoe County Central Library (301 South Center Street), Sparks Justice Court (630 Greenbrae Drive), Reno City Hall (1 East First Street), City of Reno Community Development Building (450 Sinclair St.), City of Reno Public Works Department, 4th Floor, Liberty Center Building (350 South Center St.), Sparks City Hall (431 Prater Way), Sparks Legislative Building (745 - 4th St.), Sparks Police Department (1701 East Prater Way), Sparks Recreation Center (98 Richards Way), Alf Sorensen Community Center (1400 Baring Blvd.) and Sparks Branch Library (1125 - 12th St.), and further, this agenda will be posted on the official websites for the City of Reno at www.cityofreno.com; City of Sparks at www.ci.sparks.nv.us; and, Washoe County at www.co.washoe.nv.us.

Unless otherwise indicated by asterisk (*), all items on the agenda are action items upon which the Board of County Commissioners and/or Reno and Sparks City Councils may take action.

ITEMS

- *1. Salute to the flag.
- *2. Roll call for each entity.
3. Approval of the agenda for the Joint Meeting of December 14, 2004.
- *4. Public Comment (three-minute time limit per person on any subject) – (Additional Public Comment on specific agenda items will be limited to one-minute time limit per person after each agenda item and must be related to the specific agenda item.) Comments to be addressed to the Chair of the meeting and to the Reno and Sparks City Councils and the Washoe County Commission as a whole.
5. Staff Report: Joint review and discussion regarding the status of the Truckee River Flood Control Project and potential direction to staff.
6. **ADJOURNMENT.**

Agenda item # Joint mtg. 5
Ward No. N/A

STAFF REPORT
December 14, 2004

To: Mayors and Reno/Sparks City Councils
Thru: Charles E. McNecly, Reno City Manager
Shaun D. Carey, Sparks City Manager
From: Reno and Sparks Engineering Staffs
Re: **Truckee River Flood Control Project Update**
Date: December 8, 2004

This report has been reviewed for:		
	Reno	Sparks
Financial Implications:	<u>6</u>	_____
Legal Implications:	<u>6</u>	_____
Department Approval:	<u>6</u>	_____

Summary: The Truckee River Flood Control Project is critical to local residents, business owners, tourism and the general economy of the Truckee Meadows area. The Truckee Meadows Flood Control Project is a very complex undertaking involving a multi-agency approach. This project offers the ability to solve many river related needs including solutions to Downtown Reno flooding, the general Truckee Meadows flooding through Sparks and significant opportunities to complete ecosystem restoration in the lower Truckee River. It is coming up on 8 years since the flood of 1997. Since Congress does not generally fund an entire project in any one year, it is estimated that the earliest start date for beginning construction could be 2008, six years beyond the original planned start date, and project completion could be many years following 2008 depending upon congressional appropriations. Additional flooding is not only a possibility, but a probability. There have been 9 flooding events since 1907 which yields the average of a flood about every 10 years. This historical record highlights the need for urgency in project implementation. It also highlights the need for maximum coordination of local resources in dealing with the Corps of Engineers. The interests of the Cities of Reno and Sparks, Washoe County, and the University of Nevada, Reno, need to be clearly understood, negotiated, communicated, and reflected in the final Corps project.

The impacts to the community in project delay include project cost increases, financial impacts to Downtown and Sparks' industrial area, lost economic opportunities, additional redevelopment costs, unknowns as to the ability to plan for future facilities, funding levels and other Congressional actions. Table I summarizes issues and the related impacts.

Table I – 6 Year Delay Impacts

Cost Increases	Project cost estimates increased from \$130M to \$343M (1998 to 2003) Land costs across Reno have increased substantially.
Financial Impacts	Any Development Downtown required construction to be out of the existing flood plain. Revenues for leases within flood plain areas are impacted thus affecting taxable income.
Lost Economic Opportunities	Businesses have moved from the flooded areas and new businesses are reluctant to locate in flood prone areas.
Planning – Future impacts	Not knowing when the flood project will actually start construction delays planning for future improvements.

The Corps recently decided to separate the cost benefit analysis of the Flood Project between the Downtown Reach and the lower Meadows Reach. That action by the Corps, if continued, could jeopardize the viability of the Downtown flood improvements due to the cost to benefit ratio being too low. Staff recommends that Council accept this report and provide any direction to staff that may further the Project.

Background: The Truckee River Flood Management Project in brief is described below. In depth documentation relating to the project can be found at <http://www.co.washoe.nv.us/flood/> and at <http://www.spk.usace.army.mil/projects//civil/truckeemeadows/overview.html>. Following are the Goals of the Project:

Flood Damage Reduction Goals

- Reduce flood damages in the Reno-Sparks Metropolitan area from over bank flows to the fullest extent consistent with Federal participation and community financial capabilities.
- Reduce potential loss of life from flooding.
- Remove substantial portions of the Reno-Sparks Metropolitan area from the National Flood Insurance Program base floodplain by reducing flood risk to no greater than 1 in 100 chance of flooding in any given year.

Ecosystem Restoration Goals

- Increase riparian habitat along the Truckee River from Reno to Pyramid Lake.
- Restore hydro geomorphic structure and functions of the Truckee River from Reno to Pyramid Lake.
- Increase wetland habitat within the historical floodplain of the Truckee River from Reno to Pyramid Lake.
- Reduce non-native invasive plant species along the Truckee River from Reno to Pyramid Lake.
- Restore in-stream aquatic habitat in the Truckee River from Reno to Pyramid Lake.

Recreation Goals

- Increase recreational opportunities by providing a multi-use recreational corridor along the Truckee River from Reno to Vista.

The Corps is in the process of formulating the project alternatives which will be presented at their next project milestone scheduled for January of 2005. The project alternatives will be presented with the hydraulic, economic and environmental analysis associated with each alternative. There are 5 alternatives for downtown Reno and 3 alternatives for the Truckee Meadows reach from US-395 to Vista. Alternatives for river improvements downstream of Vista will also be presented which is a required project component to mitigate potentially increased flows downstream resulting from project elements within the Truckee Meadows. The Corps recently presented preliminary information from the economic analysis for the downtown reach, considered as a stand alone project by some Corps staff, which produced bottom line cost/benefit ratios that were significantly lower than previous economic reports prepared by the Corps. Since the reported ratios were significantly lower than the required 1:1 ratio for Corps projects, it has raised the specter that the Downtown reach may not be part of a final Corps project. Staff has requested data to support these figures which the Corps indicated they are in the process of preparing. A key issue concerning the local sponsors will be whether project cost feasibility will be calculated for all reaches combined or if the Corps is going to segment the project separating downtown from other reaches in the economic calculation.

In November, the County Commission approved the purchase of the Steele Ranch located east of Rock Blvd. and north of Mill St. as it will be required for the implementation of all 3 project alternatives for the Truckee Meadows reach. This represents the first land acquisition completed specifically for the flood project. Scheduled meetings during the month of December included a downstream project walk-through with Storey County Commissioners on Dec. 6th and a public workshop at Rainbow Bend on Dec. 14th. Table II below summarizes the milestones set by the Corps at the beginning of the project, and compares actual to completed, along with related costs.

Table II - Schedule Comparison

CORPS OF ENGINEERS PROJECT MILESTONE	CORPS PROJECT SCHEDULE NOVEMBER 1998	CORPS PROJECT SCHEDULE TO DATE AND PROJECTED AS OF DECEMBER 2004
F1 – Initiate Study	Complete	March 1998
F2 – Public Workshop	Complete	June 1998
F3 – Feasibility Scoping Meeting (presentation of project alternatives)	February 1999	October 2003
F4 – Alternative Review Conference (presentation of project alternatives)	April 1999	January 2005
F4A – Alternative Formulation Briefing (policy compliance review of proposed plan)	(no date provided)	May 2005
F5 – Draft Feasibility Report	July 1999	September 2005
F6 – Final Public Meeting	August 1999	(no date provided)
F7 – Feasibility Review Conference	October 1999	(no date provided)
F8 – Final Feasibility Report	November 1999	(no date provided)
F9 – Division Engineer’s Notice	January 2000	January 2006
Final EIS	(no date provided)	(no date provided)
Chief’s Report Submitted to Congress	May 2000	June 2006
Start of Construction (Est. 18 months min.)	December 2001	January 2008

Discussion: Project progress to date is behind the original schedule by many years (see Table II). That said, it is important to note that critical project elements of the flood project are rapidly approaching, including selection of alternatives to be evaluated in the environmental impact study (EIS), financial issues to be resolved, coordinated lobby efforts, analysis of Corps reports and findings, and dealing with downstream affected parties, to name a few. The upcoming F-4 Milestone meeting in January, 2005, will formalize the alternative selection process. Critical to project success is that each of the entities' interests and needs be adequately reflected in the final project. That, in turn, will require negotiation amongst ourselves, between ourselves and other key local stakeholders, and between ourselves and the Corps.

Furthermore, it is staff's view that a prerequisite for project success is the cooperation between Reno, Sparks, Washoe County, and the University of Nevada, Reno. It is staff's view that project success, especially when dealing with the Corps, will occur when all local sponsors stand shoulder to shoulder and speak with one voice. Washoe County has assumed the project lead. However, in dealing with the Corps (both at District and Headquarters), this has not been sufficient to secure Corps commitment commensurate with the magnitude and importance of the project. The Cities and the University need to be prepared to commit the necessary support to augment the County. An interlocal agreement addressing shared responsibility, at least at staff level, would be an appropriate and logical first step.

Financial Implications: Total project costs have not been updated from the Corps. The near term issues to be addressed will include total project costs, what funding is needed and potential sources and adequacy of the existing sources. A cost estimate of the Downtown reach was provided when the Corps completed their draft benefit to cost ratios of the Downtown improvement but that does not provide all necessary information to formulate total community fund matching contributions.

Recommendation: Staff recommends that the Councils accept this report and provide any direction to staff.

Motion: I move to accept the report and direct staff to _____ .

WASHOE COUNTY COMMENTS
December 10, 2004 amendment to the joint staff memo

Cost Increases

The costs from 1998 to 2003 have increased due to several factors:

1. The 1998 figures quoted here were based on incomplete flow requirements.

The project was originally authorized by Congress in 1988. The cost estimates provided by the Corps in 1998 were inflation adjusted costs from the authorized 1988 project estimates. They did not include the required design modifications needed due to the increase in the estimated 100-year design flow from 18,500 cubic feet per second to the current 20,700 cfs (a 12% increase).

2. The project has been redesigned to be more environmentally friendly in order to: a) meet new federal standards; b) better address the concerns of downstream stakeholders; and c) improve the overall benefit-cost ratio of the project.

The current project is designed to comply with current environmental standards, including the Clean Water Act, so as to not increase channel bank erosion, channel incision, increased sediment, damage to fish habitat, increased phosphorus and total dissolved solids (TDS). In order to increase the amount of project benefits in relation to costs – and also provide a solution for potential damage downstream from any increased flows due to flood damage reduction features in the Truckee Meadows – eco-system restoration was added to the project. This became a new Corps mandate in 1999. This has enabled the project to provide mitigation for otherwise detrimental flood project impacts downstream. in a manner that has increased the potential benefit/cost (B/C) ratio for the project.

3. The revised project design responds to the interests of the diverse local stakeholders who invested considerable time in the Community Coalition process to support the project.

During 2000-2001, a Community Coalition of more than 25 local stakeholder organizations, 15 resource and regulatory agencies, and committed members of the public worked together in developing a flood management concept plan appropriate to the quality of life standards in our community. As a result, the current design includes river parkway and channel stabilization along the river through the Truckee meadows. The 1988 plan from which the 1998 costs were derived, included levees and walls directly on the channel bank without consideration of the detrimental effect to channel stability, habitat, and the aesthetic value of the river. The current designs include flood damage reduction features that allow the river to act more like a natural river, fit in better with the quality of life concerns of the citizens of the region and make the river an attractive amenity to the community rather than a larger storm drain through the center of our community. Most of the cost increases are associated with the addition of these vital components that bring the multipurpose benefits that the project is proud to produce.

Project Schedule

The 1998 reconnaissance report assumed that the reevaluation effort that was about to take place would simply update the design, costs and impacts from the 1988 authorized project . This is not what the community wanted. Early on in the reevaluation process, the community recognized that there was a chance here to make a real difference in the project. The community realized that flood damage reduction can be achieved with natural river processes and include features that not only reduce flood risk but improve the health of the river and the aesthetics throughout the project area. These environmentally sensitive flood management and ecosystem restoration features could also provide desperately needed water quality benefits to the Truckee River, thereby addressing the needs of the Cities as well as the residents. This local collaboration required more planning and design time, and was agreed upon by all of the project sponsors and stakeholders.

The original intent of the Community Coalition and the project sponsors and stakeholders was to try to have a sufficient amount of analysis done to be able to get the project included in a federal Water Resource Development Act (WRDA) bill anticipated in 2002, to start construction sooner. This was during a time period when the Corps was under intense Congressional scrutiny over project funding and practices, and a desire for reform. The project sponsors were advised by our Congressional delegation to wait until we had sufficient studies and documentation required by the customary Corps process to justify our request for project appropriation. In the end, the WRDA legislation was not passed in 2002. By asking the Corps to do expedited, additional work to get into WRDA 2002, the work required by the standard process was delayed, and the schedule stretched out.

Schedule delays were further exacerbated by the federal government's lengthy Continuing Resolution Authority in FY 2003, when the COE did not receive funds until June 2003 – nearly nine months into the fiscal year. During that time, the ability of the Corps to undertake the studies necessary to keep on schedule was greatly diminished.

Commitment to Downtown Alternatives

Washoe County and City staffs were uniformly disappointed when informed that the preliminary economic analysis for the downtown reach indicates that these alternatives will not have the necessary benefit cost ratio to be included in a Corps funded project. Working together, we have requested that the Corps contractor provide all of the data used and the calculations in order to ensure that the information on structure values, flood damages is accurate. The draft report is expected before the end of December, and will be reviewed together by city and county staff before the F4 Corps conference scheduled for the 4th week in January. We have agreed that the report will also be reviewed by an economic consultant if necessary.

We are committed to retaining the downtown alternatives in the project. We can achieve this by identifying the project elements as a “locally preferred project” that includes repair and replacement

of levees, floodwalls and bridges to provide for flood damage reduction downtown. This is accomplished by sending a letter to the Colonel of the Sacramento District. This would allow the Corps to continue to do design and cost estimates, and would keep the downtown project elements in the Chief's Report, which is the final document required before we can obtain reauthorization for the project from Congress. Keeping all of the locally preferred elements of the project in the Corps documentation is critical to getting them included in the project authorization as an addition to the Corps recommended project.

Securing Corps and Congressional Commitment

We have achieved success with the Corps in a number of instances when they have committed to respond to our special requests. The Corps has participated in the Community Coalition process in addition to the normal Corps process. They have allowed us to look at and screen many potential project features in an effort to determine what will accomplish the community goals of reducing flood damage by reducing water levels, protecting the health of the river, mitigating impact downstream and creating an environmentally friendly, aesthetic, community acceptable and affordable project.

Although the Corps does not typically provide a detailed schedule outlining the numerous tasks involved in a project like this one, they publicly committed to Senator Reid and the community at a town hall meeting on Jan 5, 2004 to hold an F4 conference in Jan 2005 that will document the initial formal description of project alternatives, their costs, benefits and various impacts that need to be considered. They also committed to having documentation in place that would allow us to begin some construction on the flood project in the year 2007.

Washoe County, working with our Washington D.C. lobbyist and our Congressional Delegation, has been very effective in obtaining federally appropriated funding for the study work of the project. In fact, we were able to double the President's budget for the project in the FY-03 Appropriations cycle. Senators Reid and Ensign and Congressman Gibbons have been extremely supportive of the project. Unfortunately, in the fall of 2002, Congress did not pass FY-03 appropriation bills for a number of federal agencies including the Corps, postponing our funding increase until June of the following year, when the bill was finally passed 9 months late. In the interim, funding of most federal agencies was done through a continuing resolution authority (CRA), which funded the agencies at the same level they were funded the year before (FY-02). In that year (FY-02), the community was paying for most of the technical work being done to model and conduct initial river restoration assessments as part of the Community Coalition process. This was helpful to the Corps because they were short staffed in these areas and the community wanted to do a larger effort to look at more ideas than what the Corps typically reviews. This was agreeable to the community and the Corps as an effective way to keep the process going and on track through a staffing difficulty at the Corps. But it resulted in less funding for the project during the CRA. This was an unfortunate, unexpected result from a combined effort from the Corps and the community to make things work better and faster.

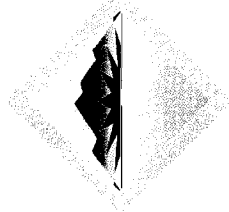
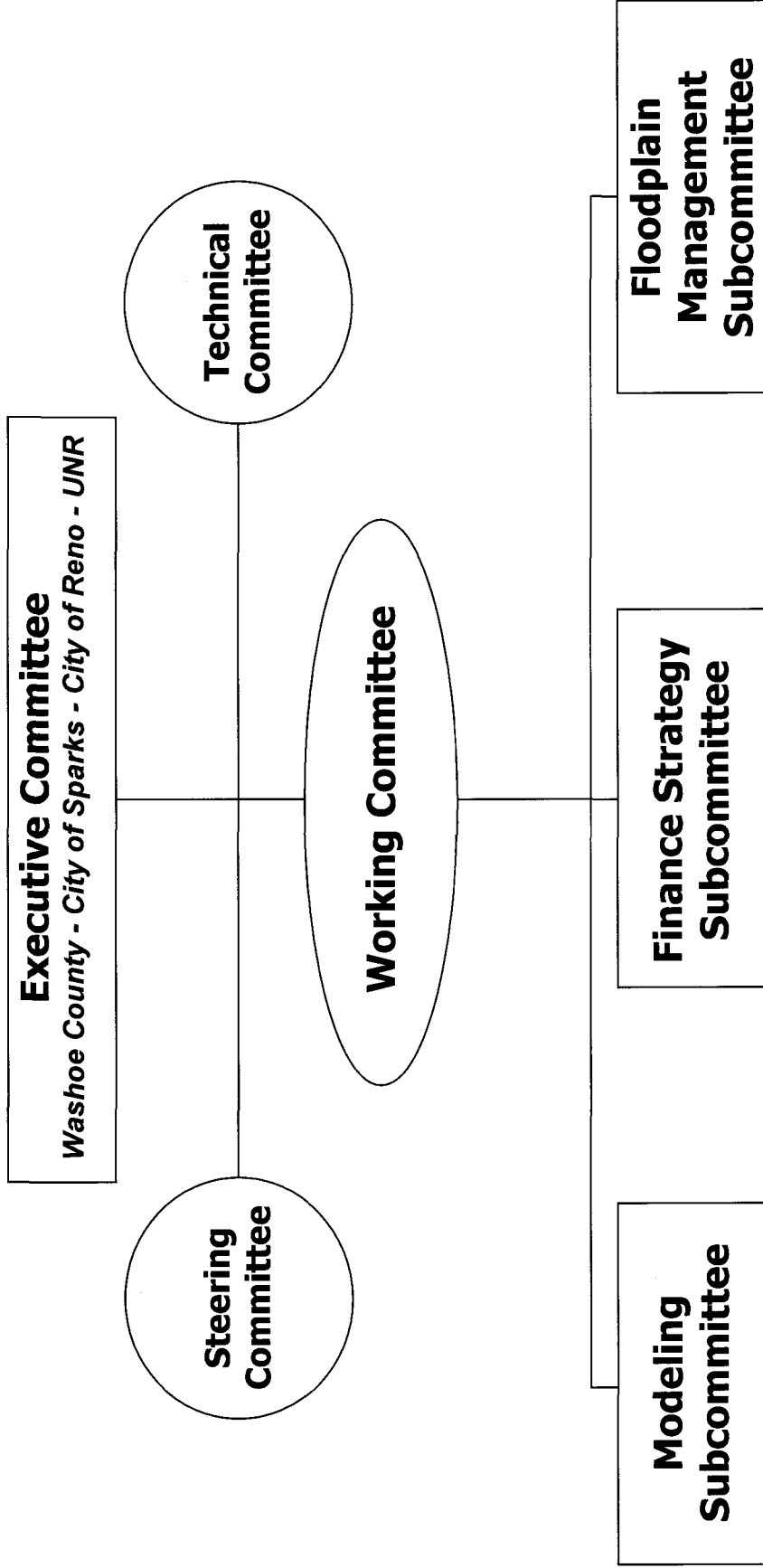
The Corps finally received its funding for FY-03 in June of 2003. At that time, they had to reassemble the project team, which had dispersed to projects that had received more funding in the CRA based on previous year amounts, and start contracts for work that had been previously intended to start on October 1 of 2002 (the beginning of the fiscal year, when Congress should have passed appropriation bills). Therefore, the Congressional delays in all sectors of the federal budget impacted the project schedule.

In FY-04 we were able again to double the appropriation the Corps received for the project. Furthermore, in both FY-03 and FY-04 we were able to obtain additional money reprogrammed to the Truckee project within the Corps structure so work could continue during the fall. This was a significant accomplishment in both years when the appropriation bills were late being passed by Congress. This past fall, the Corps had enough carry over money designated for our project to fund it past the end of the fiscal year (September 30, 2004) to January 2005. The President just signed the omnibus appropriation bill that included funding for FY-05, and again for FY-05 we more than doubled the President's budget for the project. The President's budget for next year (FY-05) included \$1,000,000 and we successfully obtained an appropriation for \$2,500,000. Again, we thank our Congressional Delegation for their continued support of the project.

Project Coordination

Washoe County fully agrees that, because the flood project has become a multipurpose project concerned with the river as a whole, coordination is essential. This is why, when the Community Coalition was formed in 1999, a structure and process were developed to ensure coordination. The existing structure includes: 1) a Working Group of citizens, sponsor staff (both cities together with the County) and staff from regulatory agencies and stakeholder groups to discuss the issues, and provide input into potential solutions; 2) a Technical Committee of sponsor staff (both cities together with the County) to provide the answers an analysis to the questions, comments and requests from the working group, as well as specialized sub-committees to deal with technical issues like modeling and floodplain management; 3) the Steering Committee that include department head level managers from the County the Cities and UNR to provide oversight and guidance to the process and direction from local government management and elected officials; and, above all, an Executive Committee made up of the City and County Managers and the President of UNR to oversee the entire process, provide policy guidance, serve as an important connection between the project and the Elected Officials of the region, and provide a vehicle from which negotiation of important entity concerns and issues can take place.

Community Coalition Structure



Truckee River Flood Management Community Coalition