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Agenda Date: 9/23/2014

Agenda Placement: 71

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Steven Lederer - Director of Public Works  
Public Works

**REPORT BY:** Richard Thomasser, Watershed and Flood Control Operations Manager - (707)259-8657

**SUBJECT:** Approval of Local Project Sponsor Agreement with Association of Bay Area Governments- Milliken Creek Flood Reduction Project

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### **RECOMMENDATION**

Director of Public Works requests approval of and authorization for the Chairman to sign a revenue agreement with the Association of Bay Area Governments (ABAG) for a maximum of \$500,000 in funding from the California Department of Water Resources via the Integrated Regional Water Management (IRWM) Program for the term of February 4, 2014 through December 31, 2018 for implementation of the Milliken Creek Flood Reduction and Fish Passage Barrier Removal Project.

### **EXECUTIVE SUMMARY**

The Board of Supervisors approved funding the design of the Milliken Creek Flood Reduction and Fish Passage Barrier Removal Project (the Project) in 2012 using Measure A funds. An Integrated Regional Water Management (IRWM) grant of \$500,000 from the State of California Department of Water Resources (DWR) has been awarded to the County and the benefiting property owners along Kaanapali Drive voted to create a Homeowners Association in January 2014, which includes assessments that will support project construction. The Board approved a design contract in August 2014, which is being funded using the County unincorporated share of Measure A funds that will meet the County's minimum grant match of \$185,000 required under the agreement with ABAG.

### **FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No

What is the revenue source?	PW Capital Improvement Program (CIP) Budget (Fund 1000, Subdivision 1220500, Program Number 13045).
	This agreement provides for \$500,000 of State of California Department of Water Resources funds to be used for project construction in FY 2015-2016. Match funds of \$185,000 of County unincorporated area Measure A funds are currently in the FY 2014-2015 Public Works budget and being used for project design.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The Board has indicated a preference to use Measure A funds to leverage grants.
Is the general fund affected?	No
Future fiscal impact:	The grant funds will not be used until Fiscal Year 2015-2016.
Consequences if not approved:	Loss of grant revenue from the State of California and homeowners for flood reduction activities along Milliken Creek near Kaanapali Drive.
Additional Information:	No budget transfer increasing revenue for this grant is needed at this time. The grant revenues will be included in the next fiscal year budget that will be presented for Board approval in June 2015.

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

In December 2005, the Kaanapali Drive neighborhood, northeast of the intersection of Atlas Peak Road and Hillcrest Drive, experienced unprecedented flooding that resulted in damage to several homes. In response to the flooding, the County entered into an agreement with the Silverado Property Owner's Association (SPOA) to cost share a flood reduction and stream bank stabilization study of Milliken Creek from Atlas Peak Road to Westgate Drive. The firm chosen by the SPOA was Hydrologic Systems Inc (HSI). The study was completed in December 2007. It focused on the hydrology, geomorphology, and hydraulics of the Milliken watershed and identified preliminary alternatives to reduce flooding in the study area; it also identified portions of Kaanapali Drive as areas subject to flooding from a 100-year flood event. A hydraulic model was developed by HSI to study flooding at various flood frequencies. Potential flood reduction alternatives identified included increasing culvert capacities, redirecting certain drainage courses, construction of berms to detain overbank flows in existing or created impoundment areas, modifications to the upstream Milliken Dam to attenuate flood flows, and several combinations of these alternatives that would maximize the reduction of possible flooding.

As a result of the study, County staff worked with FEMA to map a Special Flood Hazard Area (SFHA) on Kaanapali Drive. The original study did not contain enough information to establish base flood elevations (BFEs) for the SFHA, so in August 2010, the County continued the hydrology and hydraulic analysis of the Milliken Creek watershed to its termination into the Napa River. The purpose of the new study was not only to establish BFEs, but also to evaluate possible additional improvements for additional flood reduction possibilities.

In March 2010, the County hired Riechers Spence and Associates (RSA) to perform a cost benefit analysis for the project alternatives identified in the original report. RSA was able to incorporate existing known data into their analysis, and also evaluated several additional flood reduction alternatives. In December 2011, RSA completed their cost-benefit analysis; based on their evaluations, the following alternatives were recommended for this Project:

1. Removal of the existing summer impoundment (dam) and restoration of the Milliken Creek channel.
2. Restoration of the overland release path through Hillcrest Drive and Atlas Peak Road.
3. Strategic flood proofing on the south, north, and east side of Kaanapali Drive.

Based on the recommendations in the RSA report and a request for support from several Kaanapali Drive homeowners, the Board approved the use of Measure A funds in 2012 to implement a flood reduction project. Staff also began work to secure grant funding to support construction of the Project from the State of California Department of Water Resources. The County was notified that the Project was selected for a grant of \$500,000 as part of the Bay Area Integrated Regional Water Management (IRWM) Plan Round 2 Implementation grant program. During 2013, staff worked with property owners and Silverado Resort to reach concurrence on project objectives and awaited the property owner's formation of a Homeowners Association (HOA), which could enter into an agreement with the County and the Resort. The Kaanapali Drive HOA was approved by the property owners in January 2014. A Request for Proposals for design of the above flood reduction improvements was issued on January 31, 2014. Interviews were held on March 19 and 20, and based on previous experience with similar projects, Mead & Hunt out of Sacramento was chosen as the most qualified firm. The Board approved a professional services agreement with Mead & Hunt on August 19, 2014 to begin design work.

The County, Silverado Resort and the HOA have been working toward entering into a project agreement for implementation of the project. The parties have reached tentative agreement on terms; however, Silverado Resort has expressed concerns regarding permitting of the replacement bridge and water diversion that the Resort will perform as part of their contribution to the project. Following a meeting with staff and the Department of Fish and Wildlife, the Resort has indicated a willingness to proceed with its permit applications, and that it will be in a position to enter into an agreement following receipt of draft permit conditions. In the interest of advancing the design so that awarded grant funds are not jeopardized, staff recommended moving forward with design of the other elements of the project. Staff has indicated to Silverado Resort that the Resort has until March 1, 2015 to enter into the project agreement with the County in order for the County to incorporate the dam removal into the project design and environmental review, after which time, it would no longer be cost effective to include this element as part of the project. An amendment to the Mead & Hunt agreement will be prepared and brought for Board approval at the same time as the project agreement when/if the agreement is signed by the Resort.

At this time, staff is requesting Board approval of the Local Project Sponsor Agreement with the Association of Bay Area Governments (ABAG) to secure the grant funds for project construction. It is estimated that the design will be completed to allow for construction to commence in FY 2015-2016.

### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Molly Rattigan