

Item W4.1

SACRAMENTO METROPOLITAN CHAMBER OF COMMERCE

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Sacramento, California 95814

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April 27, 1998

Ms. Valerie Burrowes, City Clerk  
City of Sacramento  
915 I Street  
Sacramento, CA 95814

Dear Ms. Burrowes:

Please find attached a copy of correspondence directed to Mayor Joe Serna and Councilmen Cohn and Kerth responding to their letter of the 24<sup>th</sup>.

Given this item is on the Council agenda tomorrow, I forward this letter to you on behalf of our Board of Directors in the hope that it adds clarity to the public discourse on this most important issue.

Should you have any questions, please call me at 916-552-6800.

Sincerely,

**William H. Mueller, VP**  
Regional Policy & Programs

(copy)

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Clarence Williams  
*Sacramento Black Chamber*

April 27, 1998

VIA FACSIMILE

The Honorable Rob Kerth  
City of Sacramento  
915 I Street  
Sacramento, CA 95814

Dear Councilman Kerth:

Several days having passed since you last communicated to us, we write now in the hope that passions lit by assumptions about the Chamber's position will have mellowed to allow for a more calm discourse. Our success in Washington, to which we are both steadfastly committed, depends upon this.

We oppose Mr. Doolittle's legislation. Why our position – distributed to the media last Wednesday, April 22<sup>nd</sup> – the very day of the Water Resources Development Act hearing – was not publicly reported remains both a mystery and a disappointment.

Clearly our leadership team is incapable of supporting legislation that, by its implementation, would hike flood insurance and lock-in draconian building restrictions that would last decades and force local flood control assessments to skyrocket nearly three-fold. We could never support such measures and have expressed the same to Representative Doolittle, who understands our position.

We continue to believe our business association has adopted a most cautious and reasonable position; perhaps too cautious for some. Public safety is paramount to us. Please keep in mind that no other organization in Sacramento, save the State of California, represents a constituency with more at stake in this debate.

Our organization was founded 103 years ago in the name of progress, and progress for Sacramento has been dependent upon a flood control system adequate enough to protect lives and property from catastrophe. In the interest of that progress, we have never challenged anyone's motives or interests; never called into

Flood Control Letter  
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question the sincerity or character of those involved in this debate, even though other parties have not held themselves to that same standard with us. Quite the contrary, we have spent considerable time and effort in recent days attempting to broker a compromise in the interest of the people of this entire region, as you know well. We remain committed to those efforts.

As our actions over the past 100 years confirm, we support repaired and strengthened levees. In fact, over these many decades, the Metro Chamber has been the organization largely responsible for mobilizing the effort and dollars to construct the very levee system which protects lives and property throughout Sacramento today. Our support for sound levees should be above reproach.

Despite pressure, we hold fast to the still unanswered concern, not about repairing or strengthening levees, but about the safety to the public of dramatically increasing American River flows through a highly urbanized area such as Sacramento and the still unstudied impacts upon upstream and downstream communities. And we are not alone in our hesitation to support such an aggressive plan. Our concerns are shared by experts within the US Army Corps of Engineers and the State Reclamation Board.

The US Army Corps of Engineer's June 27, 1996 Report states that "... even with these [levee] improvements, concerns would remain about such high releases." In a State Reclamation Board letter of April 20<sup>th</sup>, President Frank Dal Gallo explained why the State would not agree to be the local cost sharing partner for the levee raising feature of your bill. Mr. Dal Gallo stated that "... additional studies are needed to provide detailed analyses and costs to remediate the following:

- Levee erosion due to substantially higher flows;
- Levee and foundation seepage due to substantially higher water levels;
- Levee stability due to substantially higher flows and water levels;
- Mitigation of hydraulic impacts to the Sacramento River Flood Control Project upstream and downstream of the confluence of the Sacramento River and the American River; and
- Environmental impacts and mitigation."

Our leadership team, made up of top business professionals from our region's most successful companies, are approaching this important decision as they would any other vital business decision they face. They simply will not put their company and

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their shareholders at significant risk, financial or otherwise, without first having key issues favorably resolved. It would be foreign to them to do business by sanctioning a large-scale initiative at stockholder expense on the expectation that necessary impact studies will be done at some later date. While we understand that you cannot place a cost-benefit on safety or human life, we, nevertheless, believe it prudent to get the facts before making a decision of this magnitude.

We continue to hope that the public and local decision-makers would join us in our view that public safety is important enough to allow time to gather the needed data before pressing forward. The Clinton Administration has indicated funding for such levee improvements cannot be made available for another five years, if not more; therefore, it would seem we have time for such important investigations.

We are not alone in our view. The State Reclamation Board agrees with our position, and our concerns and/or position are held in common with:

- The County of Yolo
- The County of Sutter
- The County of San Joaquin
- The County of Placer
- The County of El Dorado
- The City of West Sacramento
- The City of Roseville
- The City of Folsom
- The Folsom Chamber of Commerce
- The Roseville Chamber of Commerce
- The Citrus Heights Chamber of Commerce
- The Fair Oaks Chamber of Commerce
- The Rancho Cordova Chamber of Commerce
- The El Dorado Hills Chamber of Commerce
- The Building Industry Association
- The Sacramento County Taxpayers' League

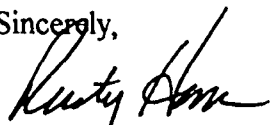
Our desire at this point is in helping to bring a compromise in Congress that will steadily lower Sacramento's risk of catastrophic flooding. The structural improvements to Folsom Dam remain cost-effective and achievable as a logical interim and next step. The transfer of the Auburn Dam properties ought to be fully

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explored as a long-term strategy to achieve our minimum 200-year level of protection goal. We continue to maintain that these key elements can form the core of a reasonable compromise that will help us achieve success in 1998.

Over the next few weeks, we will continue to urge both Congressman Matsui and Congressman Doolittle to work towards such a compromise that serves us all in 1998.

Sincerely,



**Russell J. "Rusty" Hammer**  
President & CEO



W4.1

OFFICE OF THE  
MAYOR

JOE SERNA, JR.  
MAYOR

CITY OF SACRAMENTO  
CALIFORNIA

April 23, 1998

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Rusty Hammer, Executive Director  
Sacramento Metro Chamber of Commerce  
917 7<sup>th</sup> Street  
Sacramento, CA 95814

Dear Rusty:

We are very concerned about the course that the Chamber has adopted in its advocacy for local flood protection actions in the current Congress.

By 10 to 2, a solid majority of the members of the regional flood control planning body, the Sacramento Area Flood Control Agency (or SAFCA) voted to select a strategy that included changes to Folsom Dam to improve its effectiveness as a flood facility, and significant improvements to downstream levees. They stepped away from a more narrowly adopted position they set several years ago for an upstream structure called the Auburn Dam. Congress, hot on the heels of the Gingrich Revolution, rejected that idea pretty soundly.

We do not expect Auburn Dam to be built in the near future. Proponents have made repeated attempts during most of our tenure as a volunteer in local government – in the Mayor's case, for over 25 years. But, neither do we expect the fight to go away soon. From all evidence, we are still caught in the midst of that ideological battle.

Our community needs flood protection in the here and now. Operating Folsom Dam as a flood protection facility, as it was intended from the beginning, will require some changes to meet new conditions. And downstream levees will require repairs and upgrades. We have been slowly working at that task at the local level, often without up front federal support.

The weakness in the levees is not simply a threat to the historic urban core. The lowest, possibly weakest levee on the lower American is at Mayhew out in the densely developed unincorporated County, threatening thousands of residents in Rancho Cordova and other County areas south of the river.

Rusty Hammer, Executive Director  
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The Mayor does not sit on the SAFCA Board, and therefore did not have the opportunity to vote for any of the options being discussed there, but did appoint all three City Councilmembers on the SAFCA Board, all of whom voted for strong flood protections for City and County residents. We all commend the courage of Supervisor Muriel Johnson, who, after much soul searching, changed her early vote in order to support the majority and consensus position, since she is the Chair of the SAFCA Board. She did it for the benefit of the entire community, acknowledging the community's assessment of the proper path to follow this year, and rejecting efforts to polarize a debate over public safety.

We face an uphill battle in an ideological and partisan Congress against Congressman John Doolittle, who has publicly opposed levee improvements. In a letter to the Bee, he suggested that the new SAFCA position is that of environmental extremists. That is incorrect and unfair. In reality, his proposed legislation will forbid any flood protection short of Auburn. His unwillingness to take short-term actions to protect public safety, and his efforts to force support of his unlikely proposals are the real extreme positions.

The Sacramento Metro Chamber of Commerce joins Doolittle in holding up feasible flood protection for our community. You argue that levees below Folsom are not safe if we let high levels of water run down the American River. But that is a very thin excuse for inaction on increased levee protections, and very easy to see through. It is sort of like saying that because we have a speed limit of 35 miles per hour, we should not buy ambulances that can travel at speeds of 50 miles per hour. No one expects to run the flood system at full bore for very long (the dam operators will lose money, for one thing), but if we have to take a higher release, we better be ready. If we are flooded because we have not made those levee upgrades, the Chamber and Doolittle should shoulder the blame.

It has been very difficult for our community, caught between two entrenched and polarized positions for so long, to find a long-term solution. Still, having had his shot at Auburn, with our support, we are very deeply disappointed that Representative Doolittle is now seeking to continue to put our constituents at risk as a means of enforcing support for his legislation. His recent threats to sabotage flood protection for our City if we fail to adhere to his ideological position is simply too much. His proposal will slow incremental flood protections. Your support of his proposal is a de facto endorsement of crippling building restrictions south of the river

Rusty Hammer, Executive Director  
April 23, 1998  
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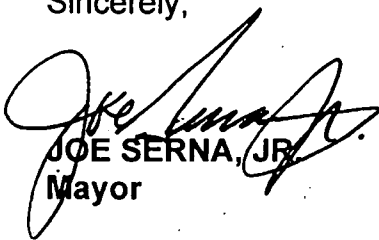
We are also very disturbed that regional business bodies like the Chamber of Commerce have lost both their sense of fairness and interest helping City and County residents. Many of them told us that Auburn was important to them because it would supply them with water to support growth further out into undeveloped portions of the County and the foothills.

The City has worked hard in the last couple of years to find solutions to meet reasonable regional water needs. We created a Water Forum, heavily funded by the City and County taxpayers, but still including many suburban interests, that is close to a series of agreements to provide water to rapidly growing areas of the region. We have even found a potential strategy that would end the long water war between the County and East Bay Municipal Utility District. The City has been supplying Elk Grove with water from City sources for several years.

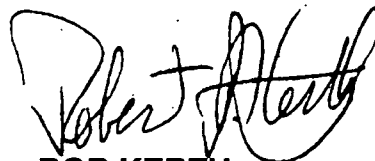
Rusty, the Chamber's position has become even more unclear with each day's passing. On one hand, we have your statements to the Bee. On the other hand, you retract your new position in a letter to Congressman Bob Matsui, whose legislative proposals incorporate the regional consensus.

We call on the Chamber to drop its Flood and Water Resources Team from the upcoming Cap-to-Cap trip. Your special interest pleadings will only serve to further confuse Washington decisionmakers about the true community consensus, and unfortunately provides support for Representative Doolittle's extortion efforts.

Sincerely,

  
**JOE SERNA, JR.**  
Mayor

  
**STEVE COHN**  
Councilmember  
District 3

  
**ROB KERTH**  
Councilmember  
District 2

JS/SC/RK/MP/mecv



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McClellan AB  
Jim Whaluck  
SACTO  
Clarence Williams  
Sacramento Area Chamber

April 22, 1998

**VIA FACSIMILE**

The Honorable Robert Matsui  
2311 Rayburn Building  
Washington, DC 20515

**RE: Clarification of Flood Control Position**

Dear Congressman Matsui:

Based upon both inaccurate and incomplete reporting by the Sacramento Bee, we feel it incumbent to clarify our stance on your legislation which calls for the authorization of structural modifications to Folsom Dam and the raising of miles of downstream levees in order to accommodate 60% higher American River flows.

Simply put, we cannot support your legislation unless amended.

Unfortunately for the Chamber, the Sacramento Bee's Washington Bureau reporter who has a long history and understanding of this issue was absent. His replacement - clearly uninformed on this issue given the factual inaccuracies in his story -- failed to place my comments in proper context and wrongly characterized our organization's stance as "softening." This is incorrect and has created a false impression in the public eye which we now are forced to correct.

Our position remains unaltered. We are fully committed to achieving a minimum 200-year level of flood protection for the 400,000 people and 5,000 businesses on the American River Floodplain. The Auburn Dam is technically the most safe, cost-effective, and mutually beneficial way of meeting and exceeding that objective. We seek to transfer the project to the State in order to build the dam as a State and local project. We appreciate your support of this effort.

The Chamber supports the further repair and strengthening of American and Sacramento River levees, as demonstrated by our support for the "Common Elements" levee improvements authorized in 1996 and by our continued efforts to seek funding for these projects this year.

However, we remain unconvinced that raising downstream levees on average by three feet to accommodate 60% higher river flows is prudent or responsible, given

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**Congressman Robert Matsui**  
**April 22, 1998**  
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the elevated risk of catastrophic failure of our earthen levee system – a 36-mile-long chain of levees built mostly in the 1920s using technology from the decade before. History has taught us that many levee failures – including recent failures in Sutter and Yuba Counties – result from high water pressure and erosion, often within design maximums. It is a risk we are not prepared to support absent additional upstream storage at Auburn. Further, adequate study has not been completed – in some cases not even yet undertaken – on the impacts of such high flows on levees and other flood control structures protecting upstream and downstream communities beyond Sacramento.

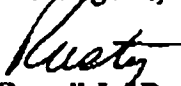
In my comments to the reporter I focused on the common ground uniting our community (i.e. the 200-year protection minimum, Folsom Dam modifications, levee strengthening and repair) rather than what is dividing us, all in the interest of our success in Washington. After all, this remains our unrelenting objective, as we know it is yours and our other Federal Representatives.

Clearly that message and my statements were lost upon the reporter, to our detriment.

As we discussed with you privately, we wish to continue working closely with you and your office on this matter to achieve an outcome in 1998 that serves the people of the Sacramento region.

Thank you for your attention to this matter.

Best Regards,

  
**Russell J. "Rusty" Hammer**  
**President & CEO**

cc: **Rep. John Doolittle**  
**Rep. Richard Pombo**  
**Rep. Wally Herger**  
**Rep. Vic Fazio**  
**Sen. Dianne Feinstein**  
**Sen. Barbara Boxer**  
**Supervisor Muriel Johnson and SAFCA Board**  
**State Reclamation Board**

5

## **TELL SACRAMENTO TO GET SERIOUS ABOUT PROTECTING ITS PEOPLE**

Everyone acknowledges that 400,000 floodplain residents will be in jeopardy until Sacramento gets a minimum of 200-year flood protection.

Yet Sacramento still isn't proposing a plan to reach 200-year protection.

**Sacramento needs to get serious about its flood control problem.**

As such, I am preparing legislation which, among other things, will:

- Require FEMA to keep in effect flood insurance and building regulations until Sacramento has flood control which protects against a 200-year flood event.
- Require that any "stop-gap" flood control measures which do not offer 200-year protection (and which are not part of a larger, comprehensive, and congressionally-authorized plan to protect against such a flood) will be eligible for maximum 25% federal cost.
- Require a "Chief's Report" from the Corps of Engineers before any flood control projects may be authorized.
- Prohibit Congress from authorizing any modifications to Folsom Dam without additional study of alternatives not included in the 1996 Corps report.
- Require that any modifications to Folsom Dam fully mitigate for significant economic problems caused by disruption of traffic on the dam road.
- Remove the federal government from this politically-charged issue by transferring the current Auburn Dam site to the state of California.

ROBERT T. MATSUI  
FIFTH DISTRICT, CALIFORNIA

COMMITTEE ON  
WAYS AND MEANS

SUBCOMMITTEE ON TRADE  
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HUMAN RESOURCES

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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0505**

April 23, 1998

**VIA FACSIMILE**

**Russell J. Hammer**  
**President & CEO**  
**Sacramento Metropolitan Chamber of Commerce**  
**917 Seventh Street**  
**Sacramento, CA 95814**

**RE: Chamber Position on Flood Control**

**Dear Mr. Hammer:**

As we all know too well, Sacramento faces a more immediate flood threat than has ever been previously anticipated. In fact, the threat is so real, an average lifelong Sacramentan is statistically guaranteed to see a catastrophic flood in his or her lifetime. Because of this immediate threat, I was pleased to read yesterday in The Sacramento Bee that the Sacramento Chamber of Commerce had decided not to oppose my plan to provide some real improvements to Sacramento's flood protection system.

I gather from your letter yesterday, however, that your attempt to move the Chamber in a more productive direction was either illusory (as you indicated) or unwelcome by some members of the Chamber's Board. Given the great pains your organization took to clarify your position regarding flood control for Sacramento, let me return the favor.

First, I support construction of the Auburn Dam as the only means of providing our community with 200-year flood protection. However, as you very well know, the United States Congress has spoken on the issue, and the Auburn Dam was overwhelmingly defeated. Twice. Even my colleague, Congressman John Doolittle, has publicly acknowledged that Congress is not going to authorize the construction of a dam at Auburn.

Now, a proposal has been made to transfer the Auburn site from Federal control to State control. No word has yet come forward from the State of California on its receptiveness to this idea, nor have any of the most basic preliminary studies or analysis been completed on the feasibility or timeline of such a transfer. In my inquiries of the experts on the subject, I am told a timeline of over ten years is a conservative estimate for just the environmental studies necessary for such an intergovernmental transfer. And even if the transfer were to take place, there is no indication that financing of an Auburn Dam by the State will be any easier than at the federal level. Thus, the State of California is probably decades from approval of such a project.

Russell J. Hammer  
April 23, 1998  
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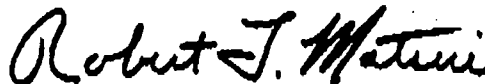
While my plan may not be the ideal proposal, it provides the highest level of protection of any plan which could be immediately implemented. Furthermore, it would not in any way preclude the need to build an Auburn Dam in the future. Rather, it reduces our risk of a catastrophic flood while a way to do so is found.

The Chamber should know that I believe the position it has adopted is both short-sighted and irresponsible. As an organization which represents the businesses and people of the Greater Sacramento Metropolitan area, I believe the Chamber has a responsibility to provide leadership and candor in their public positions. Those who believe they would not be massively impacted by a flood merely because they do not directly live or work in the flood plain, are deceiving themselves. Furthermore, by claiming that strengthening the American river levee system causes a greater risk to Sacramentans, the Chamber is not showing candor in its assessment of public safety. The circular argument that increased river flows through bigger, stronger levees is unsafe because more water travels through the city is reckless and irresponsible. The reality is that the water will flow through the city regardless of the levee capacity. The choice is if the water flows through improved levees or if it flows over the current levees and through homes and businesses.

Quite frankly, I think we are beyond the point where we can simply re-state the goals we have in common. Anyone who truly cares about the safety of Sacramento will acknowledge that a community our size requires 200-year flood protection. That is not the debate. The question is why anyone would want to keep Sacramento from taking available steps to get closer to that goal until a permanent solution is achieved.

More specifically, I am troubled that an organization purporting to represent Sacramento's interests would oppose a plan to increase our interim level of flood protection. Furthermore, given the unanimous support of the City, a 10-2 vote of the Sacramento Area Flood Control Agency, and a strong endorsement from the Clinton Administration for this plan, I question the judgment of the Chamber in coming to Washington to lobby for a lower level of protection.

Sincerely,



Robert T. Matsui  
Member of Congress