

RESOLUTION NO. _____ (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE AUTHORIZING THE CITY MANAGER PRO TEMPORE TO VOTE [YES] ON THE CITY'S ASSESSMENT BALLOTS FOR CITY-OWNED PARCELS FOR THE PROPOSED ASSESSMENT FOR LEVEE OPERATIONS AND MAINTENANCE AND RETURN THE BALLOTS TO THE PAJARO REGIONAL FLOOD MANAGEMENT AGENCY PRIOR TO ITS PUBLIC HEARING SCHEDULED FOR JUNE 8, 2022

WHEREAS, the County of Santa Cruz, City of Watsonville, County of Monterey, Santa Cruz County Flood Control and Water Conservation District (Zone 7), and Monterey County Water Resources Agency executed a Joint Exercise of Powers Agreement (JPA Agreement) that established the Pajaro Regional Flood Management Agency (PRFMA) on July 21, 2021; and

WHEREAS, the City of Watsonville serves as a Member Agency on the Board of the Pajaro River Flood Management Agency; and

WHEREAS, on April 13, 2022 the PRFMA Board of Directors adopted a resolution of intent to form an assessment district to provide supplemental funding necessary for the levee operations and maintenance, under which 45 City-owned parcels are proposed to be assessed; and

WHEREAS, the US Army Corps of Engineers (USACE), in partnership with PRFMA and the CA Department of Water Resources, has begun design for a \$400 million Pajaro River Flood Risk Management Project, which will improve levees along the Pajaro River and Salsipuedes and Corralitos Creeks; and

WHEREAS, upon completion, the project will provide up to 100-year flood protection to Watsonville, Pajaro and surrounding agriculture lands - removing properties from the FEMA Special Flood Hazard Area (SFHA) and ending associated requirements for flood insurance and building restrictions; and

WHEREAS, the USACE and state have agreed to pay 100% of the project's design and construction costs; and

WHEREAS, to receive funding, the local community must agree to maintain levees to strict federal regulations, which requires PRFMA to demonstrate that levee operations and maintenance is adequately funded; and

WHEREAS, PRFMA plans to assume management of levee operations and maintenance on behalf of its member agencies; and

WHEREAS, the proposed annual budget for levee operations and maintenance is \$3.8 million per year. Existing assessment revenues from Zone 7 (Santa Cruz County) and Zones 1/1A (Monterey County), along with a contribution from the City of Watsonville, generate \$2.6 million per year, leaving an annual operating deficit of \$1.2 million per year that needs to be recovered. PRFMA is therefore proposing an annual property assessment to close this gap, and

WHEREAS, under Proposition 218, only properties that benefit from the PRFMA's levee maintenance activities can be assessed; and

WHEREAS, the City, owns 45 parcels which are proposed to be assessed; and

WHEREAS, the City leases APN 017-011-59 from Santa Cruz Metro as part of an existing 99-year lease agreement until 2100 with Santa Cruz Metro; and

WHEREAS, the City hereby requests that Santa Cruz Metro vote in support of the benefit assessment.

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

1. This action is not subject to review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and the

CEQA Guidelines (14 Cal. Code Regs. §§ 15000 et. seq.), including without limitation, Public Resources Code section 21065 and California Code of Regulations 15378 as this is not a “project” that may cause a direct, or reasonably foreseeable indirect, physical change in the environment and because the action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment. Additionally, even if a “project,” the action would be exempt under the “common sense” exception (14 Cal. Code Regs. § 15061(b)(3)) because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment.

2. The City Manager Pro Tempore is hereby authorized and directed to vote [YES] on the City’s assessment ballots for the proposed assessment for levee operations and maintenance and return the ballots to PRFMA prior to its public hearing scheduled for June 8, 2022.

3. The City Council requests that Santa Cruz Metro vote in support of the benefit assessment.

4. The City Manager Pro Tempore is hereby authorized and directed to remit the assessment payment for APN 017-011-59 for Santa Cruz Metro, as Lessor to the property, until the year 2100 as part of an existing 99-year lease agreement with Santa Cruz Metro.
