

Delta Levee Investment Strategy Update

Summary: This report is part of a continuing series of updates on the Delta Stewardship Council's (Council) activities related to the Delta levee investment strategy. This update focuses on describing how/when the 15 policy questions in the State Investments in Delta Levees issue paper will be addressed as part of the Delta levee investment strategy. Information for this update includes an overview of the project schedule, tasks and milestones and a description of how the issue paper questions are organized and where in the project schedule they should be addressed by the Council, staff or both.

In addition, a brief summary of the public comments received on the issue paper, staff progress on incorporating both Council and public comments and next steps in this process is included in this report. Staff will also report on overall project progress and efforts related to methodology development, the independent peer review panel, public outreach and communication.

Background

The Delta Reform Act states "The Delta Plan shall attempt to reduce risks to people, property, and state interests in the Delta by promoting effective emergency preparedness, appropriate land uses, and strategic levee investments" (Water Code Section 85305(a)). In addition, "The council, in consultation with the Central Valley Flood Protection Board, shall recommend in the Delta Plan priorities for State investments in levee operation, maintenance, and improvements in the Delta, including both levees that are a part of the State Plan of Flood Control and non-project levees" (Water Code Section 85306).

The Delta Plan adopted in May 2013 established interim priorities for State investment in Delta levees (RR P1 and 23 CCR Section 5012). It also recommended that the Council, in consultation with the Department of Water Resources (DWR), the Central Valley Flood Protection Board (CVFPB), the Delta Protection Commission (DPC), local agencies, and the California Water Commission, promptly update those interim priorities (Delta Plan recommendation RR R4 *Actions for the Prioritization of State Investments in Delta Levees*).

Delta Levee Investment Strategy

The Delta levee investment strategy that the Council is developing will include a new approach for investing state funds in Delta levees. This new approach should guide the ongoing investment of state funds in a way that considers the interconnection of assets protected by levees, the exposure of these assets to different risk factors, beneficiaries of levee protection and appropriate cost share allocation for this protection. This

approach also must recognize that assets such as water supply, ecosystem health, and the unique values of the Delta are not only valuable to the State of California and residents of the Delta, but to a range of beneficiaries.

This new approach will be developed by working together with other affected State and local agencies, Delta residents, a wide variety of Delta stakeholders. The Delta levees investment strategy will use a comprehensive methodology that considers the assets protected by Delta levees, the threats to Delta levees, the multiple beneficiaries of Delta levee investments, and both structural and non-structural approaches for reducing risk.

The outcome of the project will be a final report that proposes updated priorities for State investments in Delta levees, including revisions to the Delta Plan's flood risk regulatory policies, recommendations, and narrative, and related Delta Plan revisions. The strategy may also be submitted to the California Legislature to help guide future decisions about funding.

State Investments in Delta Levees Draft Issue Paper

At the Council's direction, staff prepared a draft issue paper that assesses key policy questions to be addressed during the development of updated Delta Plan provisions and other recommendations regarding State investments in Delta levees. Through this assessment, the issue paper identifies issues that will need to be considered as the Council updates Delta Plan provisions, as well as sets a policy framework for technical work to be undertaken by its consultants.

The Council reviewed the draft issue paper at its September 25 meeting and invited public comments during a 30-day review period that closed on October 27. Since the conclusion of the review period staff has been reviewing the comments received, will discuss comments with the Council, as needed, and will revise the draft issue paper accordingly. Staff anticipates returning a final draft to the Council at its December meeting for consideration and endorsement.

Summary of key questions in the issue paper

The draft paper outlines 15 questions to be considered as the Council updates the Delta Plan's provisions regarding State investment in the Delta's levees. It summarizes background information about these issues, provides references for further information, and highlights key points that need to be addressed over the coming months. The issues are:

1. What are the Delta's Levees?
2. What goals and objectives should State investments in Delta levees further?
3. What are the state's interests in the Delta?
4. What risks threaten Delta levees?
5. Who is responsible for the Delta's Levees?
6. What plans guide the state's investment in Delta levees?

7. How is Delta levee maintenance, operation, and improvement funded now?
8. What level of Delta levee improvement is warranted?
9. How should levee improvement costs be allocated?
10. What is the federal government's role?
11. What conditions should be attached to state funding of levees?
12. What provision should be made to improve habitat for fish and wildlife or provide public recreation?
13. What if local agencies don't act?
14. How should the levee priorities address the risk of state liability for levee failures?
15. What about climate change?

Other Questions to Consider

As staff have been reviewing comments on the draft issue paper and continuing to review background materials for the issue paper, additional questions have been developed for consideration by the Council. These questions include;

- Is current state spending achieving a proper balance between levee maintenance and upgrades?

Overview of Project Schedule and Key Tasks

As a first step in understanding how the 15 key questions above are incorporated into the Delta levee investment strategy, staff has developed the graphic and descriptive text below to indicate project schedule, tasks, and milestones. The section following this one integrates the issue paper questions with this project schedule.



Phase 1 – Project Initiation (July – September 2014)

- Project tasks: Define project purpose, goals, process, and outcomes. Introduce project to key stakeholders. Map interagency coordination and stakeholder engagement. Develop technical work plan and communications plan.
- CEQA tasks: frame the CEQA compliance approach based on review of the expected project outcomes (listed above) and the Delta Plan PEIR. Prepare initial CEQA Compliance Approach memo to describe options, recommend approach and next steps. Attend select project development meetings to monitor policy development and tailor the CEQA approach/scope, effort and schedule appropriately.

Phase 2 – Objects and Inputs (October – December 2014)

- Project tasks: Roll out project purpose, goals and process to stakeholders. Collect and verify key project inputs. Confirm project goals, performance metrics and scenarios.
- CEQA tasks: Attend select project development meetings to monitor policy development and tailor the CEQA approach/scope, effort and schedule appropriately.

Phase 3 – Risk and Options (January – March 2015)

- Project tasks: Increase understanding of risks, probability, and consequences. Review and confirm risk analysis methods, data, and results. Identify and evaluate risk reduction option.

- CEQA tasks: Prepare the EIR Notice of Preparation and release for public comment. Hold Scoping Meetings. Attend select project development meetings to monitor policy development and tailor the CEQA approach/scope, effort and schedule appropriately. Prepare a detailed EIR impact analysis work plan. Initiate EIR preparation.

Phase 4 – Investment Portfolios (April – July 2015)

- Project tasks: Review options/investments evaluations. Develop and evaluate portfolios of investments. Adjust portfolios to optimize and improve overall performance.
- Peer Review: ARCADIS will deliver the methodology, assumptions, source data and all supporting materials (report) to the Delta Science Program for distribution to the Independent Scientific Review Panel (Panel).
- Fifteen days after receiving the methodology, assumptions, source data and all supporting materials (report), Panel members and Council staff will develop a preliminary assessment report that will be used to focus ARCADIS' materials for their public presentation.
- Peer Panel holds public meeting after reviewing all submitted methodology and supporting materials.
- The Panel will submit its final review to the Delta Science Program - Lead Scientist, 30 calendar days after the public meeting.
- Final Peer review will be posted to the Council website for public access.
- CEQA tasks: Prepare Administrative Draft EIR.

Phase 5 – Draft Strategy and Recommendations (August – December 2015)

- Project tasks: Identify cost allocation methods. Review Draft Strategy and Recommendations.
- CEQA tasks: Continue environmental impact analysis and Draft EIR preparation. Release Draft EIR for public review at the end of this phase.

Phase 6 – Final Strategy and Recommendations (January – June 2016)

- Project tasks: Consider and adopt final report and recommendations. Consider and adopt changes to Delta Plan.
- CEQA tasks: Prepare response to public comments on the Draft EIR; prepare and release the Final EIR.

Addressing the Delta Levee Investment Issue Paper Questions

The key topics and questions outlined in the draft issue paper will be addressed at different times and by different groups during the process to update the Delta Plan's provisions related to State investments in Delta levees. Table 1(attached) integrates the six-phase approach described above with the issue paper questions and categorizes the questions according to when and how they will be addressed by the Delta levee investment strategy. Discussions related to addressing the issue paper questions, both technical and policy questions, will occur at various times and amongst

different groups including the Council, various Delta stakeholders, the Technical Resource Pool (a collective of experts providing technical review and input for the Delta Levee investment strategy) and the general public at public workshops and meetings.

Summary of Comments Received on Draft Issue Paper

Seven comment letters were received from the following groups:

- California Central Valley Flood Control Association
- Central Delta Water Agency
- Contra Costa Water District
- Department of Water Resources
- Local Agencies of the North Delta
- National Marine Fisheries Service
- State Water Contractors

Comments included additional historical context and information to help frame the discussion of Delta levees and issues; requests for clarification and expansion of specific issue paper topics; suggestions for staff to conduct more in- depth analysis on specific topics, and; comments that were not directly related to the issue paper, but broader in scope and nature.

Next Steps

- Staff will post comments on the project website.
- Staff are reviewing all comments received and will discuss with Executive Management and if needed, the Council to determine appropriate responses.
- Staff will incorporate appropriate revisions in the State Investments in Delta Levees issue paper and anticipate bringing the final draft back to the Council in December.

Other Activities

During the past month staff has also been working on other tasks related to the Delta levee investment strategy. These activities include:

Independent Scientific Review Panel

- Staff continues to work on contracting with panel members.

Communication Strategy and Outreach Efforts

- Staff continues to meet with key stakeholders to provide an overview of the project and to solicit input on the information being assembled for a computer based decision-making tool.

- Staff invited various outside experts in a variety of fields to be part of a Technical Resource Pool to help provide review and input on technical information related to this project.
- Staff conducted a technical workshop for members of the Technical Resources Pool to provide an overview of the project, the computer based decision-making tool and to solicit input on information being assembled for the tool.

Data Compilation and Review

- Staff continues to compile existing data and information, review and quality check this information and are soliciting input from technical experts on the data.

List of Attachments

Attachment 1: Table 1. Framework and Schedule for Addressing the State Investments in Delta Levees Issue Paper Questions.

Contacts

Dustin Jones
Supervising Engineer

Phone: (916) 445-5891

You Chen (Tim) Chao
Senior Engineer

Phone: (916) 445-0143