

Delta Levee Investment Strategy: Determination of State Interests

Requested Action: Staff recommends the Council approve the State interests that should be further considered during development of the Delta Levees Investment Strategy and other Delta Plan provisions related to levee investments and risk reduction measures. Staff recommends continued consideration of a broad suite of State interests and seeks the Council's approval of this approach.

Background

The Delta Plan established interim priorities for State investment in Delta levees (RR P1 and 23 CCR Section 5012). The Council now is engaged in updating the Delta Plan's priorities for these Delta levee investments, as the Delta Plan recommends (RR R4). In December, the Council accepted a staff issue paper, *State Investments in Delta Levees: Key Issues for Updating Priorities*, that provided background information on key questions to be addressed as the Council considers updating the Delta Plan's levee investment priorities.

Over the past several months, staff has provided information related to State goals, objectives and interests that would be furthered by investments in Delta levees. This information is to assist the Council in providing guidance. Staff also have provided a summary of the March 11 Council-expert workshop on levees and risk management, strategies for State investments to reduce risk while meeting multiple objectives and issues related to liability (see Agenda item 11). This information may also prove useful as the Council contemplates its updated prioritization of state levee investments.

During the January and February meetings, Council members, staff and various panel participants engaged in a discussion focused on the following three questions from the Levees Investment Issue Paper:

1. What goals and objectives should State investments in Delta levees further?
2. What are the State's interests in the Delta that levee investments should further?
3. How should the levee priorities address the risk of State liability for levee failures?

At the February meeting, staff provided a set of four alternative approaches, ranging from a broader "business-as-usual" approach to a narrower "goal-oriented and prudent" approach for the Council to consider. The alternatives included a suite of State-level goals and objectives and various State interests that could be used to guide the State's investments in Delta levees and to help to shape the Council's updated Delta levees investment strategy.

Identifying the Goals and Objectives for State Investments in Delta Levees and the State Interests those Investments Should Further

This staff report includes two documents to assist the Council in providing guidance on which State interests warrant fuller consideration in the prioritization of State levee investments. These documents include a slightly revised set of four alternative approaches to guiding Delta levee investments and the State interests these investments will further (Attachment 1) and staff's recommendation for State interests that should be further considered as the Council updates the levee investment strategy (Attachment 2).

The attached alternatives reflect the discussion at the February Council meeting, public comments received at that meeting, and consultation with Delta stakeholders and other agencies in the interim. The purpose of these alternative approaches is largely illustrative and serves as a means to compare a broader and more inclusive approach to setting levee investment priorities ("business as usual" alternative) to a narrower approach ("goal-oriented and prudent" alternative). The suite of goals and objectives selected by the Council will help guide further development of the policy decisions and the technical elements of the updated Delta levee investment strategy (e.g., metrics, State interests to be defined in the strategy).

The four alternatives continue to include:

Alternative 1: Business as Usual

This approach is most similar to the interim regulations in the Delta Plan and current practices. In this recommendation, numerous goals are considered important and funding would be distributed among them. This approach seeks to balance the achievement of goals over time to attain necessary levels of protection (e.g., 200-year protection for urban and urbanizing) or desired (e.g., HMP or better, depending on the benefits to be provided, for non-project levees).

Alternative 2: Business as Usual 2.0

This approach would modify existing practices described in the Business as Usual approach above. Projects that further multiple objectives (e.g., flood management and habitat restoration) would be preferred over projects that further a single objective. There would be more focus on cost-sharing. Benefit/cost considerations would affect investment decisions.

Alternative 3: Economic Sustainability Plan/Delta as Fortress

This alternative reflects the recommendations of the Delta Protection Commission's *Economic Sustainability Plan* and the "Delta as Fortress" alternative of the 2007 Public Policy Institute of California report *Envisioning Futures for the Sacramento-San Joaquin Delta*.

The focus of investments under this alternative would be to protect lives and property, water supply reliability, and Delta as Place values. Recommended

levee improvements could be much more substantial than the first two alternatives. Every island would be protected to at least the standards of the Army Corps of Engineers' PL 84-99 program. In addition, most rural non-project levees would be improved to wider "fat levee" configuration to reduce seismic and other hazards to levees that protect infrastructure and water quality. Setting back levees to improve migratory corridors for salmon, steelhead, or other fish would not be considered.

Alternative 4: Goal-oriented Prudence

This alternative would be the most selective in terms of what the State seeks to achieve with levee funding. Protecting lives and achieving the coequal goals would be the primary purpose. Certain Delta as Place resources (cultural, recreational, agricultural, etc.) and protecting private property would be a secondary purpose. An emphasis would be placed on improving project levees to reduce State liabilities and improving only selected non-project levees that protect a narrower range of State goals, objectives and interests.

Revisions to these alternatives since February include:

- Under water supply reliability goals, clarifying that "water conveyance" means protecting conveyance corridors.
- Under ecosystem restoration goals, clarifying that water quality protection is for aquatic species.
- Adding definitions for terminology such as "fat levees", "accommodation space" and "working landscapes".

Staff recommendations regarding State interests to consider in the DLIS

Attachment 2 to this report summarizes staff's recommendations regarding State interests that should be further considered as the Council updates the Delta levees investment strategy and the various Delta Plan provisions related to levees and risk reduction. The attachment also includes staff's recommendations for interests that should not be further considered.

The State interests listed in Attachment 2 have been compiled from various sources including; statutory requirements, the Delta Plan, public testimony and alternatives included in planning efforts such as; the Central Valley Flood Protection Plan, the Delta Protection Commission's Economic Sustainability Plan, the Bay Delta Conservation Plan's draft EIR (e.g. through-Delta conveyance alternative), and the Suisun Marsh Plan.

Staff is recommending that a more robust suite of State interests be further considered at this time as the Council updates its Delta levees investment strategy. Maintaining this robust suite of interests for consideration will allow for further evaluation of the level of risk for each interest, appropriate risk reduction measures, cost to reduce risk to

tolerable levels, benefits received by protecting these interests, beneficiaries that may contribute to levee improvements and tradeoffs resulting from attempts to achieve multiple interests. As we move further along in developing the levee investment strategy, including finalizing the methodology and considering alternative priorities with other agencies and stakeholders, staff will bring results to the Council to evaluate and consider for inclusion in the Delta levees investment strategy.

Staff is also recommending several elements not be further considered as State interests in the updated levee investment strategy. These include several "Delta as Place" values such as cultural and historical assets (outside of legacy communities), aesthetic assets (e.g. meandering channels) and recreational assets. Staff does not believe, based on reviews of other reports, testimony to the Council and Council discussion, these are state-level interests. In addition, sufficient information is not available to quantify risk to and benefits to these elements.

Staff suggested motion

The Council directs staff to consider those items listed in Attachment 2 as "State interests" for further evaluation and consideration during development of the Delta levees investment strategy and other Delta Plan provisions related to levee investments and risk reduction measures.

Stakeholder Suggestions to Alternative Approaches

In response to public testimony heard at the February Council, staff met with Erik Ringelberg, BSK Associates, who represent the Local Agencies of the North Delta, on March 13 to discuss suggestions about adjustments to the alternative approaches developed by Council staff. Mr. Ringelberg presented suggested adjustments that he and Melinda Terry, executive director, California Central Valley Flood Control Association, developed jointly. While there are valuable suggestions for adjustment within the alternatives, there does not appear to be a fundamental difference in the spread of priorities and interests from those already considered by the staff. Suggestions made by Mr. Ringelberg and Ms. Terry could provide useful alternatives to consider during the CEQA process that will accompany an update of Delta Plan and its provisions related to levee investments and risk reduction measures.

List of Attachments

Attachment 1: Revised Alternative Approaches to Addressing State Goals and Objectives through Levee Investments.

Attachment 2: Staff recommendations for State interests that should be considered further during the update of the Delta Levees Investment Strategy.

Contacts

Dustin Jones
Supervising Engineer

Phone: (916) 445-5891

You Chen (Tim) Chao
Senior Engineer

Phone: (916) 445-0143