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June 15, 2015

Delta Stewardship Council
980 9th Street, Suite 1500
Sacramento, CA 95814

Attention: Dustin Jones
RE: Draft Delta Flood Management Investment Strategy Principles;
Comments by Bethel Island Municipal Improvement District

Dear Mr. Jones:

The Bethel Island Municipal Improvement District (BIMID) much appreciates the opportunity to submit the following comments on the Delta Stewardship Council's proposed Delta Flood Management Investment Strategy Principles. These include, from the report considered by your Council at its May 28, 2015 meeting, the "Principles to Guide State Flood Management Investments in the Delta" and "Further Guidance for Developing a State Strategy for Flood Management Investments in the Delta."

These comments have also taken shape based on the attendance of both the Board President and District Manager of BIMID at your May 28, 2015 Council meeting, subsequent discussion at the regular monthly meeting on June 5, 2015 of the Delta Levee and Habitat Advisory Committee attended by the BIMID District Manager, professional review by BIMID's District Engineer GEI Consultants, and ultimately discussion, action and direction at the June 11, 2015 Special Meeting of the BIMID Board of Directors.

As will our forthcoming related comments on the Council's Technical Memoranda and Notice of Preparation, these comments are also offered from the perspective of the Delta's most populated and urbanized Island – also one of the 8 "sentinel islands" – and in the wake of the precipitous decline in BIMID's financial condition due to the recession (a loss of nearly 1/3 of its Property Tax revenue base, its only major source of local revenue), and how BIMID has "stepped up to the plate" to meet that significant setback and challenge through a proposed Assessment District for which ballots are just about to be mailed on June 22, 2015. As I specifically emphasized orally at its May 28 meeting, we invite the Council to consider Bethel Island and BIMID as a fundamental case study as to what works or may not work so well within the present DWR funding system, and how best to consider or develop alternatives, and strike a balance among trade-offs, in a way that would more optimally meet State, local and regional interests including improving the future prospects for enhanced levee improvements.

Towards that end, we join and echo others who recognize how imperative it is to be sure that all strategies and principles are built upon and derive from a correct, accurate foundation of information, realistic modeling of present and projected circumstances, and a shared understanding in which we may all ultimately come to have confidence. In endeavoring to arrive at outcomes that are truly an example of the whole being greater than the sum of its parts, the following comments also reflect our increasing understanding as to how these Principles, the Technical memoranda, and the NOP for the Draft EIR do not stand alone, but are inextricably intertwined In the potential impacts of the Council's direction and determinations on the future priorities, funding prospects, and economic, recreational and lifestyle values of Bethel Island and other Delta islands and resources.

Principles to Guide State Flood Management Investments in the Delta

Page 1, paragraph 5 of May 28, 2015 Report to Council (Agenda Item 11, Attachment 5) – The co-equal goals, initially introduced by the Flood Task Force, we believe are mainly focused on water supply and not flood control. Although, however, SBX 7 1 reintroduced it and asked the Delta Stewardship Council to consider it in Delta projects, we still believe PRC 29702 limits it to water supply.

1. We feel that, on its face, this Principle is reasonable and commendable, and inherently consistent with the mission and values of BIMID. However, with respect to Bethel Island's critical but non-project levee system, it nonetheless seems to conflict with Principle 10 with respect to how "urban" is elsewhere defined and characterized. Again, Bethel Island is already the Delta's most populated Island, and upon the soon to be forthcoming 450+ unit Delta Coves development, will become even significantly more so in the near future.

2. This Principle needs to expand on saying that State funds cannot be spent to induce growth and construction of new urban areas in the primary zone of the Delta is only possible – if at all – with the approval of the Delta Protection Commission. This should not be tied in with the Subventions Funds since DWR will not provide any funding for work beyond PL 84-99, although it may be tied to the state or condition of the levee. It should be noted that the Delta Coves Project referenced above is being built above its own levee system, with said levee extension not to be added to the levee system eligible for DWR funding but rather to be funded by Delta Coves itself through a comprehensive facilities maintenance CFD.

3. Who is to argue that "routine maintenance" does not reduce the risk of flooding? Inspection, detection and repair of a void created by rodents or rocking water sides of levees to minimize erosion and subsidence are good examples. This Principle may be applicable to improvement work but should not be to maintenance, and Subventions should therefore be left out of it

4. Appears fairly reasonable on its face, although it should be made more clear as to who and what entity (State or local?) will collect assessments from, say, railroads or EBMUD. Or they will pay their share on the specific project. Since this may lead to changing the share of cost it needs to be less ambiguous and more clearly stated.

5. No comments (reference SB 5).

6. No comments; appears reasonable and fair.

7. Each project should have primary and secondary objectives. Flood control and ecosystem cannot and should not be treated 50/50 (weighed equally), since flood control is the primary objective of the projects led by reclamation districts (including BIMID) and is aligned with their responsibilities. Ideally such Districts should not be funding ecosystem upgrades but rather only funding levee integrity and safety (protection of life and property), and with the State fully funding the environmental dimension without penalty to the RD's or SD's. Or, if any environmental contribution may still be sought from such protection-related levee projects, it be minimal at most.

8. It should be made more clear that system-wide needs are not the responsibility of local government, and that the State is currently working on basin wide studies leading to CVFPP.

9. This Principle is so sparing in its expression that its meaning and intention is obscure. It certainly calls for further explanation and clarification.

10. In addition to the combined comments made above regarding Principle #1, we would urge that any urban limit line applied by the Council be identical to that of (in Bethel Island's case) the established Contra Costa County Urban Limit Line as represented in the Delta Plan's Executive Summary 2013 in Figure ES-2 on page ES-12. The State should not impose an urban designation onto any County as that is for the County to define in its General Plan. (Attachment 1 Page 1 "Project and Non-Project Delta Levees"). Further, true there is no entitlement. But this Principle as stated doesn't mean much, for it is very vague what might be meant by "many people" and/or "assets." How many are "many," and whose assets are we talking about; State, local, federal, private?

11. As indicated in the prefacing remarks above, BIMID is also pursuing an Assessment District at this very time. This Principle should not infringe on the RD's or SD's being able to pursue Proposition 218 funding so this needs to be clarified, with assurance that when an RD or SB has an Assessment District the Delta Wide Assessment District should not replace, negate, or otherwise undermine or compromise it, but rather supplement it for the mutual benefit of the District, region and State (and further enhance the greater good for the greater whole).

12. We would strongly suggest that the Council elaborate further on this Principle. Does it mean that DSC will require all RD's and SD's to have an EAP (will may make sense)? Or should each project need to provide for emergency recovery? It seems to imply that post flood assistance will be limited or nullified in favor of condemnation, but it is quite ambiguous.

Further Guidance for Developing a State Strategy for Flood Management Investments in the Delta

1. Again, comprehensive evaluation to justify a project may be applicable to levee improvement projects, but not for levee maintenance work. The Council needs to more fully realize that the Delta Islands (mostly agricultural) do not have anywhere near the resources needed to conduct comprehensive studies for each project and, as a result, levee integrity may be compromised, which then can lead to catastrophic failure or at least to additional future major levee projects and associated costs that could have been avoided by solid, ongoing, adequately funded (and preventive) levee maintenance. A revised cost share valuation would again potentially raise the percentage of local share to what some on the Council have characterized as 50% or more, which would be financially untenable to the RD's and SD's, and thereby counter to the more favorable outcomes of significant ongoing enhanced levee improvements.

2. It makes sense to establish some performance measures. However, the Council should be careful not to apply the PM's for project levees in the Delta. Additionally, the levee standards in the Delta typically address geometry of the levees and not the foundation.

3. Multi-benefit projects in the Delta are of course a mixture of flood control, emergency response, subsidence reversal, water supply protection, and ecosystem improvement. This Principle places too much emphasis on ecosystem, which again should be part of the opportunity but the RD's and SD's should not be expected to underwrite or financially support to any considerable extent (if at all) their restoration, upgrading or expansion.

4. These improvements are financially burdensome – at times to the point of prohibitive – on the RD's and SD's and need to be handled independently and separated in the same fashion that the tunnels were decoupled from eco-restoration. Otherwise they will become an increasing deterrent to RD's and SD's, placing otherwise much needed and high priority levee upgrades beyond their reach financially.

5. Considered very reasonable. But we also want to make sure that Bethel Island is included among "legacy communities," and that there is assurance that such "legacy communities" are regarded as primary in the protection of the unique values of the Delta, and always included within and never separated from the definition of this "unique values" reference.

6. Sounds like the beneficiary pays approach, which is OK as long as it doesn't apply to maintenance work. In the event this may also tend to open the door for more funding for all projects, again it should not infringe on or in any way penalize locally established Proposition 218 Assessment Districts.

7. No comments; well-conceived and reasonable.

Again, we much appreciate the opportunity to provide these comments for your serious consideration and review.

Sincerely,

Jeff Butzlaff
Interim District Manager