

Delta Levees Investment Strategy: Investment Strategy Principles and General Updates

Summary: This progress report on the Delta Stewardship Council's (Council) activities to update the Delta Plan priorities for State investment in Delta levees includes a summary of early comments received regarding proposed Delta flood management investment principles, general updates on progress made to date on information requests, the CEQA process for this project, status of the methodology review, outreach and coordination activities, and an updated project schedule.

Background

Over the past few months, staff has provided updates on overall progress of this project and presentations related to the Delta levees investment strategy (DLIS) methodology in preparation for the independent scientific review process. In March, the Council approved a list of State interests for further consideration during development of the DLIS and other Delta Plan provisions related to levee investments and risk reduction measures. In May, Vice Chairman Isenberg and Council members Tatayon and Johnston proposed a statement of principles to guide further development of the DLIS as well as to guide the update of a more comprehensive flood management strategy, much of which is already included in the Delta Plan.

The principles reflected discussions among Council members at the March and April meetings and advice from the March 11, 2015 risk management/levee expert workshop, as well as from stakeholders and staff. The proposed principles for Delta flood management were reviewed during the May 28 Council meeting and the public was given an opportunity to comment both at the May meeting as well as in writing between May 28 and June 15. A summary of comments received from stakeholders will be presented at the June Council meeting and proposed refinements to the draft principles will be discussed.

In addition, at this meeting staff will provide general project updates and discuss upcoming project milestones.

Information Requests

Staff continues to make progress on various informational items requested by the Council over past months. Staff is currently working on revisions to a map illustrating project and non-project levees in the Delta and anticipates bringing this map back to the Council in July. Staff is also working on integrating a table containing information on ecosystem restoration projects in the Delta, presented to the Council at the May meeting, with information from the Delta Conservancy's EcoAtlas tool and current EcoRestore efforts. Staff anticipates bringing this larger package of information back to

the Council in September. Staff is also continuing to piece together State expenditure data for levee improvements and will bring this information back to the Council in the next few months once key data is obtained, annotated notes are completed and new information is compiled with existing information to ensure consistency.

Delta Flood Management Investment Strategy Principles

The *Delta Flood Management Investment Strategy Principles (Principles)* were proposed at the May 28 Council meeting. The Council members discussed the proposed principles, provided some suggestions and also commenced a public comment period for input and suggestions. Comments were received by three separate groups in time to be included with this report; others were received by the comment closing date of June 15, 2015 and will be included as a handout to the Council.

Staff has received early comments from the following entities and individuals:

1. Bill Edgar and Clyde Macdonald (Attachment 1)
2. The Nature Conservancy and Natural Heritage Institute (Attachment 2)
3. San Joaquin County Public Works Department (Attachment 3)

Bill Edgar and Clyde Macdonald

Bill Edgar and Clyde Macdonald expressed agreement with many points in the *Principles* during their presentation to the Council on May 28. They also followed up on their presentation with written comments stating their support for the following ideas:

- Policy should come before planning and implementation
- The Delta is inherently flood prone.
- Managing flooding in the Delta will become more difficult in the future because of subsidence, changing climate patterns, the possibility of earthquakes, and rising sea levels.
- Investment priorities should be skewed toward urban areas in the future because of the large numbers of people and value of property at risk.
- The amount of funds remaining for the rural areas and the small communities will be limited because there is simply not enough money to go around. This might mean that non-structural solutions and improved emergency response programs are more cost effective for rural areas and small communities.
- A rather tight filter should be required for guiding state investments in the Delta.
- Flood prone lands should not continue to be urbanized.
- Beneficiaries should pay.
- The first priority should be to protect existing urban development.
- Water conveyance, water quality, and ecosystem restoration are high priority areas for funding.
- Basin-wide system needs and multi-benefit project proposals are also a priority for funding.

Mr. Edgar and Mr. Macdonald emphasized that a number of state agencies are involved in some aspect of levee operations, design, construction, and/or maintenance but, to a significant extent, these state agencies tend to operate without coordination. It was suggested that interdisciplinary teams from the various agencies focused on specific issues were needed at the beginning of these processes and that would help lead to an end with coordinated and aligned policies and plans. They also made the following suggestions:

- The investment strategy should consider the likelihood of subsidence, flood, seismic forces, and sea level rise over time and how these factors could impact the State's investment strategy.
- Sherman Island is essential to maintaining water quality in the Delta and, therefore, should be given special consideration.
- Where the Council recommends statutory changes, the recommendations should include specific bill language so that bill drafting is not done by the Legislative staff.

Nature Conservancy and Natural Heritage Institute

Comments submitted jointly by the Nature Conservancy and Natural Heritage Institute emphasized that the expenditure of public funds and the Delta Protection Act require a high standard of ecological protection and restoration. They felt that the Council and other state agencies should prioritize projects which enhance the viability of species that depend on Delta habitat for their survival and recovery. This would include protecting bird-compatible agricultural lands to offset habitat losses or create new habitat. They also felt that *Principles* should recognize that:

- Public recreation in the Delta is currently constrained due to lack of access and priority should be given to Delta levee projects which improve public access to Delta waters.
- Climate change should be factored in as a priority condition for allocating funds among levee investments. In particular, they felt the Council should determine if the islands on which funds will be spent have a reasonable chance to survive sea level rise, seismic activity, ongoing subsidence and other increasing risks over the subsequent 30 years. Long-term conservation strategies should seek to conserve upland habitat areas that may be outside the primary zone in the Delta as these areas offer an opportunity to mitigate impacts related to sea-level rise and provide more resilient habitat conditions above areas that may be inundated due to sea-level rise.

San Joaquin County Public Works Department

Comments submitted by San Joaquin County Public Works Department addressed the protection of urban areas and the funding associated with that protection. It was agreed that addressing the most serious flood risks should be given funding priority, particularly those associated with "large urban centers" but it was suggested that the *Principles* should state that the appropriate level of flood protection for urban areas is 200-year protection, as established by Senate Bill 5.

San Joaquin County Public Works Department, however, disagreed that large urban communities “should pay more towards levee improvements, because they can.” It was recommended that the Council recognize this assumption may be true for some urban areas, but not necessarily for economically depressed communities, such as Stockton, and it would be appropriate for the Council to qualify this statement to recognize that reducing the local funding requirement for economically depressed communities may be necessary to ensure that these urban areas receive flood protection consistent with that provided to other urban areas. Also, related to funding, it was noted that most local maintaining agencies do not have sufficient funding to provide adequate levee maintenance on their own. State funds to augment existing local maintenance funds is needed, or changes in State law to enable local agencies to generate the needed additional funds are needed.

San Joaquin County Public Works Department stated that stopping all urbanization in flood-prone areas would not necessarily reduce flood risk and state liability. It was stated that, in many cases, the only practical way for local agencies to generate funding to construct improvements and provide increased flood protection for the thousands of homes that already exist behind levees in the Delta is through fees and assessments charged to new development and that this could actually result in a net reduction in overall flood risk and State liability. It was recommended that *Principles* clarify that urbanization of flood prone areas without ensuring a reduction in overall flood risk (and achievement of an acceptable level of flood protection for urban areas) should be prohibited.

San Joaquin County Public Works Department asked that the Council clarify the statement “Non-project levee proposals seeking State funding must prove they protect many people and/or assets or help achieve the co-equal goals.” The opinion was that the explanatory language provided seemed to contradict the principle itself and that it implied locals are not entitled to receive State funds for non-project levees, even though the use of State funds for non-project levees is acceptable provided it would protect lives and property or help achieve the co-equal goals. It was recommended that large urban areas protected by non-project levees should be given first priority for flood protection investment, as indicated in Principle 5, regardless of whether the investment would be to project or non-project levees. It was also suggested that investments to provide increased flood protection to urban areas in the Delta should not be limited to facilities just within the Delta, but also include any facilities that are components of an overall system that provides flood protection to Delta urban areas.

Additional comment letters received too late to be summarized in this staff report are included as Attachments 6-18. A summary of these will be provided to the Council early next week.

General Updates

CEQA Process - On May 28, 2015, Council staff filed a Notice of Preparation (NOP) (Attachment 4) with the State Clearinghouse-Office of Planning and Research. The

NOP states that the Council will prepare an Environmental Impact Report (EIR) for the update to the Delta Levee Investment Strategy (DLIS) Policy. Comments are being solicited through July 1. In addition to written comments, the project team is holding two scoping meetings on June 30, 2015. The first meeting will begin at 10 a.m. in West Sacramento and the second meeting will start at 6:30 p.m. in Stockton. Information on the NOP, public comment period and scoping meetings is posted on the Council's website at:

<http://deltacouncil.ca.gov/notice-preparation-dlis-policy-draft-environmental-impact-report>.

Review of Proposed DLIS Methodology - The Independent Scientific Review Panel (Panel) public meetings were conducted on May 19 and 20. The WebEx recordings of the presentations to the panel and panel comments can be found at:

<http://deltacouncil.ca.gov/event-detail/11868>.

The Panel will submit its final report to the Delta Science Program's Lead Scientist in late June. In addition, Council staff has received written comments related to the DLIS methodology from various stakeholders over an extended period of time starting in April and running through June 19, 2015. Recommendations in the Panel's final report and stakeholder comments will be considered by Council staff and the ARCADIS team, where feasible, in finalizing the DLIS methodology. Staff anticipate bringing a summary of the recommendations received to the Council in August.

Outreach and Coordination - Since the last Council briefing, staff has reached out to several stakeholder groups to exchange thoughts on the development of the DLIS, data accuracy, and the proposed methodology. In addition to regularly scheduled interagency coordination, staff met with representatives from the Department of Water Resources' (DWR's) Division of Flood Management to discuss methodology developed by DWR to analyze risks of water supply disruption and coordination between the DLIS and the 2017 update of the Central Valley Flood Protection Plan. Staff will continue to meet with key stakeholders and technical experts to solicit input on the information being assembled as the project moves towards the analytical work phase.

Project Schedule and Milestones

Attachment 5: *Delta Levees Investment Strategy - Project Schedule* has been extended through June 2016 to reflect the scheduled end date of this project. Additional revisions to the schedule include; the development of final reports, CEQA tasks and tasks that will be part of the Office of Administrative Law review. The project schedule will become a standing item for the DLIS monthly updates.

List of Attachments

- Attachment 1: Delta Flood Management Investment Strategy Principles Comment Letter – Bill Edgar and Clyde Macdonald
- Attachment 2: Delta Flood Management Investment Strategy Principles Comment Letter – The Nature Conservancy and Natural Heritage Institute
- Attachment 3: Delta Flood Management Investment Strategy Principles Comment Letter – San Joaquin County Public Works Department
- Attachment 4: Delta Levees Investment Strategy NOP
- Attachment 5: Delta Levees Investment Strategy - Project Schedule
- Attachment 6: Delta Flood Management Investment Strategy Principles Comment Letter – California Farm Bureau Federation
- Attachment 7: Delta Flood Management Investment Strategy Principles Comment Letter – Department of Water Resources
- Attachment 8: Delta Flood Management Investment Strategy Principles Comment Letter – Bethel Island Municipal Improvement District
- Attachment 9: Delta Flood Management Investment Strategy Principles Comment Letter – Rogene Reynolds
- Attachment 10: Delta Flood Management Investment Strategy Principles Comment Letter – Delta Protection Commission
- Attachment 11: Delta Flood Management Investment Strategy Principles Comment Letter – MBK Engineers
- Attachment 12: Delta Flood Management Investment Strategy Principles Comment Letter – California Department of Fish and Wildlife
- Attachment 13: Delta Flood Management Investment Strategy Principles Comment Letter – State Water Contractors
- Attachment 14: Delta Flood Management Investment Strategy Principles Comment Letter – Local Agencies of the North Delta
- Attachment 15: Delta Flood Management Investment Strategy Principles Comment Letter – Reclamation District 999
- Attachment 16: Delta Flood Management Investment Strategy Principles Comment Letter – Sacramento County
- Attachment 17: Delta Flood Management Investment Strategy Principles Comment Letter – San Joaquin Area Flood Control Agency
- Attachment 18: Delta Flood Management Investment Strategy Principles Comment Letter – Supervisor Piepho

Contacts

Dustin Jones
Supervising Engineer

Phone: (916) 445-5891

You Chen (Tim) Chao
Senior Engineer

Phone: (916) 445-0143