

Information Item

Discussion Regarding Delta Assets of Significant State Interest and Update on Delta Levees Investment Strategy

Summary: Staff will present information describing the State interests in the Delta affected by the region's levees and discuss how accounting for these interests can inform the development of the Delta Levees Investment Strategy (DLIS). The DLIS will inform prioritization of State investments in levee operation, maintenance, and improvements in the Delta in accordance with Water Code section 85306.

Background

In March 2015, the Council approved a list of State interests for further consideration during development of the Delta Levees Investment Strategy (DLIS) (Attachment 1). The State interests include life, property, water supply, habitat, and consideration of the Delta's unique values that contribute to the Delta as a place. In July 2015, the Council adopted principles to guide development of the DLIS. The principles relevant to today's briefing provide, in part:

- State flood management investment to protect urban areas is the first priority.
- Water conveyance and diversion infrastructure is a high priority.
- State funds must enhance the ecosystem even if projects cost more to the State and to reclamation districts. A programmatic approach that locates ecosystem enhancements where they provide high benefits is preferable.
- Consider systemwide needs. Specific recommendations of the Delta Plan and the State Plan of Flood Control should be considered. These include the proposed Paradise Cut Bypass recommended in the Delta Plan, and other specified non-project levees.
- Impacts to the Delta's unique values should be taken into account. These include the Delta's farmlands, historic communities, and natural and cultural resources.
- State investments in the Delta's flood management system must consider post-flood recovery responses by local, State, and federal agencies and the efficacy and likelihood of financial assistance after flood damage.
- Reclamation districts seeking State funds for non-project levees have the burden to prove their contribution to the protection of people and/or property and the achievement of the coequal goals.

For today's briefing, staff will present an overview of islands and tract where these State interests have been identified within the Delta and Suisun Marsh and discuss possible implications of using this information to inform development of a risk reduction strategy.

Location of State Interests

Council staff and the Arcadis team have developed representative maps showing where State interests are protected by levees within the Delta and Suisun Marsh and also, in the case of habitat, where potential tidal habitats could be restored if levees were altered. Attachments 2 through 9 show population, property and other assets' value, islands that support water supply, current and potential freshwater habitats, potential tidal habitat locations, and locations supporting the Delta's unique values.

- Population. Population is highest in Sacramento, West Sacramento, and metropolitan Stockton. Other islands and tracts with higher populations include Brannan-Andrus Island, which holds the city of Isleton, Tyler Island, which holds the community of Walnut Grove, New Hope Tract including the community of Thornton, and Bethel Island, Hotchkiss Tract, and Discovery Bay in Contra Costa County. **Attachment 2** shows population for each island and tract.
- Property. **Attachment 3** portrays the value of property that could be damaged by flooding, including the value of crops in the field. In addition to the cities and communities with many residences and businesses, other areas with higher valued property include Fabian Tract in San Joaquin County, Lower Roberts Island and Suisun Marsh's Grizzly Island, where there are significant water management facilities. Significant infrastructure, such as utility systems or interstates and important state highways, or critical facilities, such as water and wastewater treatment facilities or police and sheriff's stations are included within the values.
- Water supply reliability. Eight western Delta islands are critical to protecting the Delta's waters from saltwater intrusion that would impair water supplies. The quality of water available for diversion by the State Water Project and Central Valley Project is further protected by islands along Old and Middle Rivers' conveyance corridor in Contra Costa and San Joaquin Counties. East Bay Municipal Utility District's Mokelumne Aqueduct crosses Roberts and Woodward Island and Jones Tract. Also located at Hotchkiss and Holland Tracts are diversion works serving the Contra Costa Water District. Maintenance Area 9, extending south from Sacramento toward Hood protects water diversion infrastructure at Freeport serving the East Bay Municipal Utility District and parts of metropolitan Sacramento. The North Delta Aqueduct's pumps are at Solano County's Hastings Tract. Stockton's water diversion and treatment works are protected by levees at King Island and Empire and Bishop Tracts along Disappointment Slough. In Suisun Marsh, islands fronting Suisun, Grizzly, and Honker Bays protect control gates and water distribution systems built to manage the marsh's wetlands. **Attachment 4** depicts these areas.
- Ecosystem restoration. In addition to protecting water quality, as noted above, some Delta levees are important for the protection of freshwater or upland habitats. Freshwater or upland habitats in public ownership or protected by easements include Stone Lakes National Wildlife Refuge, which is protected by levees at Maintenance Area 9, crane habitats at the Nature Conservancy's Staten Island, and the Grizzly Island Wildlife Area in Suisun Marsh. The Yolo Bypass's function as a seasonal wetland depends on the levees that border the floodway. These areas are shown in **Attachment 5**. Other areas that are well suited for potential habitat restoration but would require levee alterations include Cache Slough, areas at the

confluence of the Cosumnes and Mokelumne River, islands and tracts along the lower San Joaquin River, and Suisun Marsh. **Attachment 6** shows these areas.

- Delta as a Place. Since the Council's actions on the DLIS principles last July, Council staff has consulted with the Delta Protection Commission and in-Delta stakeholders about features that are important to assessing islands and tracts importance to the Delta's unique cultural, recreational, and agricultural values affected by the Delta's levees. DPC staff and many stakeholders thought these could be adequately represented by the location of legacy communities, valuable farm soils, including prime soils, unique farmland, and farmland of statewide importance, and public roads which provide local circulation, farm to market transportation, and access to waterside resorts and marinas. These are reasonable metrics with which to represent these values, the Council staff believes, because they reflect significant findings of the DPC's *Economic Sustainability Plan*. They are shown in **Attachments 7, 8, and 9**.

Considerations for DLIS Development

Understanding where assets of State interest are located among the Delta's islands and tracts is an important step toward setting priorities for State investment in levees or other risk reduction actions. This information can help inform the Council's consideration of which levees are most important to protecting State interests, and so may warrant State investment in levee maintenance. Later in the DLIS process this information about assets, considered together with assessments of the chance of levees failing at these islands and tracts, can also help us identify priorities for levee improvements that reduce these risks.

Maintenance of the levees that protect these State interests is funded primarily through State funding provided through DWR's Delta Levees Maintenance Subventions Program¹, which supplements, on a cost share basis, the local agencies' cost for maintenance of Delta levees (Water Code sections 12980 through 12995). The Water Code currently provides that subventions are available for non-project (private) levees in the Delta and for project levees protecting islands with more than 50 percent of their acreage in the Delta's primary zone. **Attachment 10** shows the location of recent State expenditures through the Subventions Program. The State also directly maintains project levees on the west side of the Yolo Bypass. As **Attachment 10** shows, levees in the Suisun Marsh and most project levees in the secondary zone do not receive State levee maintenance funds. .

As the Council considers the implications of this information about assets' location for its Delta Levees Investment Strategy, it might be useful to discuss the scope of the Subventions Program. One question to consider is whether the Council wants to recommend to the Legislature that important levees in the Suisun Marsh become eligible for maintenance subsidies through the Subventions Program. A second question, raised by both some water agencies and conservation organizations, is whether the Subventions Program's maintenance subsidies should *not* be available

¹ State law requires that the Delta Levees Maintenance Subventions Program is required to be consistent with the Delta Plan (Water Code section 12986(c))

where restoration of tidal habitats, rather than protection of other assets, is preferred. In those locations, emphasis could be placed on purchasing lands from willing sellers for restoration instead of levee maintenance.

Later in the DLIS' development, the Council may also consider cost-sharing and cost-allocation issues affecting levees. Currently, Water Code section 12986(a)(2) states "Not more than 75 percent of any costs incurred in excess of one thousand dollars (\$1,000) per mile of project or nonproject levee shall be reimbursed." The Council may want to consider recommending to the Legislature requirements for allocations of some maintenance costs to other beneficiaries, or updates to the minimum cost per mile incurred by local agencies.

Fiscal Information

Not applicable.

List of Attachments

Attachment 1: State Interests for the Delta Levees Investment Strategy
Attachment 2-9: Maps of State Interests Protected by the Delta's Levees
Attachment 10: Delta Levees Subventions Program Expenditures (1987-2013)

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