

Funding Priorities for State Investments in Delta Levees

Requested Action: Authorize the Executive Officer to approve an interagency agreement (IA) between the Delta Stewardship Council (DSC) and the Department of Water Resources (DWR) for work related to updating funding priorities for state investments in Delta levees.

Recommendation

Staff recommends that the Council authorize the Executive Officer to approve an interagency agreement with DWR. The Council was presented with a draft scope of work for this interagency agreement at its August 2013 meeting. Per the Delegation of Authority for the Executive Officer adopted by the Council in April 2010, the Executive Office is authorized to

“Award and execute contracts, task orders, grant agreements, interagency agreements and other instruments or documents on the Council’s behalf, that amount to no more than \$500,000 (including extensions and amendments), as necessary to carry out the authority delegated herein.”

Because the total funding capacity of this IA is two million dollars the Council is required to authorize the Executive Officer to enter into this agreement with DWR.

This agreement is required by the DSC to secure funding to conduct the work needed to update funding priorities for state investments in levees (Water Code §85306). The full-term of the contract is three years and all work paid for under this agreement will be related to the investment prioritization task. Currently, the DSC does not have adequate resources in its budget to complete this statutory requirement and is entering into a partnership with DWR to secure additional funding.

A portion of the funding from the IA will be used to secure the services of consultants to assist the DSC staff with completing the work. Consultant services are required in order to bring a full range of expertise on levee engineering, flood risk management, benefit/cost assessments, flood damage reduction and assessment, and life risk analyses to this project. A competitive bidding process will begin in January 2014 to secure the consultants. DSC staff members are currently developing the solicitation package. The resulting contract may require Council approval if it is greater than \$500,000.

Background

A comprehensive strategy for state investments in Delta levees is comprised of many elements including; statutory requirements; Delta Plan policies and recommendations;

ongoing efforts by other key agencies; and, most recently by the new California Water Action Plan (published on Oct. 31, 2013) and located at http://resources.ca.gov/docs/Final_News_Release_2013-10-31.pdf).

The Delta Reform Act requires “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 §85306).

In the Delta Plan, the Council directs itself, in consultation with the Department of Water Resources, the Central Valley Flood Protection Board, the Delta Protection Commission, local agencies, and the California Water Commission to implement Water Code §85306 by developing funding priorities for state investments in Delta levees by January 1, 2015 (Delta Plan recommendation RR R4 *Actions for the Prioritization of state Investments in Delta Levees*- See Attachment 1). This recommendation provides guidance on the actions, analysis and methodologies to be undertaken to develop priorities and a list of required deliverables to be prepared for the public. Until the updated investment priorities are completed and adopted pursuant to Water Code §85306, the Delta Plan identifies interim priorities to guide “discretionary state investments in Delta flood risk management.” (Delta Plan policy RR P1 *Prioritization of state Investments in Delta Levees and Risk Reduction* - See Attachment 1 for full text of RR P1).

The Delta Plan also contains other policies and recommendations related to Delta levee operation and maintenance that together with RR P1 and RR R4 help to create a more comprehensive strategy. These include:

- Requiring flood protection for residential development in rural areas (RR P2)
- Financing local flood management activities (RR R2)
- Funding actions to protect infrastructure from flooding and other natural disasters (RR R3)
- Protecting floodways (RR P3)
- Protecting floodplains (RR P4)
- Funding and implementing a San Joaquin River bypass and floodway (RR R5)
- Designating additional floodways within and upstream of the Delta (RR R7)
- Developing criteria to define locations for future setback levees in the Delta and its watershed (RR R8)
- Requiring adequate level of flood insurance for residences, businesses, and industries in flood prone areas (RR R9)
- Limiting the state’s potential flood liability (RR R10)

There are currently other key activities associated with state investments in Delta levees being undertaken. These include:

- **Delta Protection Commission (DPC):** As the Delta Plan states in recommendation RR R2: “The Legislature should create a Delta Flood Risk Management Assessment District with fee assessment authority (including over State infrastructure) to provide adequate flood control protection and emergency response for the regional benefit of all beneficiaries, including landowners, infrastructure owners, and other entities that benefit from the maintenance and improvement of Delta levees, such as water users who rely on the levees to protect water quality.” Through an interagency agreement with the Department of Water Resources, the DPC will investigate the feasibility of developing a Delta Flood Risk Management Assessment District for levee maintenance, improvements and other functions as described in the Delta Plan.

- **Department of Water Resources (DWR):** On September 24, 2013, the Department of Water Resources (DWR) released *FloodSAFE, A Framework for Department of Water Resources Integrated Flood Management Investments in the Delta and Suisun Marsh (draft)* for public review and comment. As this document states: “This Framework is designed to provide guidance to DWR for making strategic investments to help preserve the physical characteristics of the Delta while recognizing that some areas could still be irrevocably damaged during a large flood or seismic event.” This document is closely related to and consistent with Delta Plan policy RR P1.

- **California Central Valley Flood Protection Board’s Strategic Plan (2013-2017)**
This plan was adopted by the CVFPB at their June 28, 2013 meeting. In this plan, there are several goals, objectives, and strategies that share the same vision as the DSC’s levee investment prioritization project. These include:
 - a. Preserving the integrity and function of flood protection systems in the Central Valley.
 - b. Providing leadership in optimizing flood protection planning, management and operations.
 - c. Developing broad public support for regional and system-wide multi-benefit flood risk reduction projects and programs.

Most recently, a California Water Action Plan was prepared by the Natural Resources Agency, Department of Food and Agriculture and the Environmental Protection Agency for the Governor. This plan stresses the need for improved flood protection for the State. Priority actions by state, local and regional governments for reducing flood risks and improving the state’s preparedness and resiliency are identified in the plan (pages 13-14) Included in the list of priority actions is the call to create a Delta Levee Assessment District and to identify state funding priorities for Delta levees adding additional focus on and urgency to these actions.

Next Steps

Per the resolution adopted by the Council at its meeting on May 17, 2013 (See Attachment 2) staff will continue to provide regular updates on the progress of investment prioritization task.

If the Council authorizes the Executive Officer to approve this IA the Department of General Services will be notified immediately so that they may proceed with their review and approval of the agreement. DWR has reviewed this agreement, provided preliminary approval and upon notification from DGS the agreement will be finalized. During this time, DSC staff members continue to prepare a solicitation package for release in January 2014.

List of Attachments

Attachment 1: Table of Delta Plan Policies and Recommendations
Attachment 2: Motion for Levee Investment Prioritization from May 17, 2013 Council Meeting

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