

**Meeting of the  
Central Valley Flood Protection Board**

**Department of Water Resources  
Staff Report  
Division of Flood Management  
Delta Levees Office  
Delta Levees Maintenance Subventions Program**

**June 23, 2017**

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**I) INTRODUCTION**

The Delta Levees Maintenance Subventions Program (Subventions Program) is authorized by the CA Water Code § 12980 thru 12995. The Subventions Program has been in effect since passage of the Way Bill in 1973, which has been modified periodically by Legislation. The CA Water Code § 12981 states the intent of the legislature as “***...the physical characteristics of the delta should be preserved essentially in their present form; and that the key to preserving the delta's physical characteristics is the system of levees defining the waterways and producing the adjacent islands...***”

The Subventions Program is a cost-share program that provides technical and financial assistance to local agencies in the Delta for the maintenance and rehabilitation of nonproject and eligible project levees. The Subventions Program is managed by DWR for the Central Valley Flood Protection Board (CVFPB). The CVFPB reviews and approves DWR’s recommendations, adopts guidelines for the maintenance and improvement of levees, and enters into agreements with local levee maintaining agencies to reimburse eligible costs of levee maintenance and rehabilitation.

**II) FUNDING**

The Subventions Program has been dedicated to maintaining and helping to manage the aging levees in the Sacramento–San Joaquin Delta (Delta) for over 40 years, investing nearly \$180 million in flood control and habitat projects carried out by local agencies in the Delta. Historically, the Subventions Program has reimbursed an average of about \$6 million annually. Since the passage of Propositions 1E and 84, the funding level for the Subventions Program has significantly increased allowing the program to reimburse over \$8 million each year. The funding has been used to support maintenance and rehabilitation activities of over 700 miles of project and non-project levees annually. The table below summarizes the Board approved maximum reimbursement and the actual

State reimbursement through the Subventions Program. Funding details for the proposed and recent fiscal years are discussed in the paragraphs that follow.

<b>Fiscal Year</b>	<b>Maximum Reimbursement (\$)</b>	<b>Total Project Cost (\$)</b>	<b>Local Share (\$)</b>	<b>State Reimbursement (\$)</b>
2008-2009	20 million	17 million	5 million	12 million
2009-2010	18 million	13 million	4 million	9 million
2010-2011	15 million	16 million	5 million	11 million
2011-2012	12 million	11 million	3 million	8 million
2012-2013	12 million	12 million	4 million	8 million
2013-2014	12 million	10 million	3 million	7 million
2014-2015	12 million	11 million	3 million	8 million
2015-2016	12 million	13 million	4 million	9 million
2016-2017	12 million	Final Claims due November 1, 2017		
2017-2018	12 million (Proposed)	Final Claims due November 1, 2018		

**Fiscal Year 2013-2014:**

The allocated funding for fiscal year (FY) 2013-2014 was \$12 million. The Board executed 65 work agreements with local agencies for work completed between July 1, 2013 and June 30, 2014. Staff received 62 final claims from local agencies totaling about \$9 million of completed work. The State has reimbursed 60 local agencies. Two local agencies are working with the California Department of Fish and Wildlife to meet their outstanding mitigation requirements and will be reimbursed once their mitigation requirements have been satisfied. The local cost share will be approximately \$3 million and the State cost share approximately \$7 million. The unused State cost share will revert back to the source, Proposition 1E.

**Fiscal Year 2014-2015:**

The allocated funding for FY 2014-2015 was \$12 million. The Board executed 68 work agreements with local agencies for work completed between July 1, 2014 and June 30, 2015. Staff received 62 final claims from local agencies totaling about \$11 million of completed work. The State has reimbursed or in the process of reimbursing a total of 59 local agencies. Three local agencies are working with the California Department of Fish and Wildlife to meet their outstanding mitigation requirements and

will be reimbursed once their mitigation requirements have been satisfied. The local cost share will be approximately \$3 million and the State cost share approximately \$8 million. The unused State cost share will revert back to the source, Proposition 1E.

#### Fiscal Year 2015-2016:

The allocated funding for FY 2015-2016 was \$12 million. The Board executed 71 work agreements with local levee maintaining agencies for the work completed between July 1, 2015 and June 30, 2016. The deadline to submit final claims was November 1, 2016. Staff received 65 final claims from local agencies totaling about \$13 million of completed work. The State has reimbursed or in the process of reimbursing a total of 62 local agencies. Three local agencies are working with the California Department of Fish and Wildlife to meet their outstanding mitigation requirements and will be reimbursed once their mitigation requirements have been satisfied. The local cost share will be approximately \$4 million and the State cost share approximately \$9 million. Any unused State cost share will revert back to the source, Proposition 1E.

#### Fiscal Year 2016-2017:

The allocated funding for FY 2016-17 is \$12 million. Staff received 71 applications totaling approximately \$53 million. Tables 1 through 3 were approved by the Board. Table 1 listed application amounts by local agencies and showed the eligible amount of reimbursements by priority, as defined in the *2011 Guidelines*. Table 2 presented the FY 2016-2017 Funding Plan setting the maximum reimbursement and allocating the proposed \$12 million and the corresponding advance amount. Table 3 provided a summary of available reimbursement amounts and corresponding reimbursement rates for each priority up to the proposed funding of \$12 million. This amount was a reasonable funding level and was the outcome of discussions between staff and the stakeholders. The source of this funding is Proposition 1E.

The January 2017 and February of 2017 flood events resulted in significant impacts to the levees in the Delta. In anticipation of greater levee maintenance costs, Reclamation District 563, Tyler Island, and Reclamation District 2023, Venice Island, have requested an increase to their 2016-2017 application amounts by \$2.1 Million and \$500,000 respectively. The proposed FY 2016-17 Amended Tables 2-Funding Plan is attached.

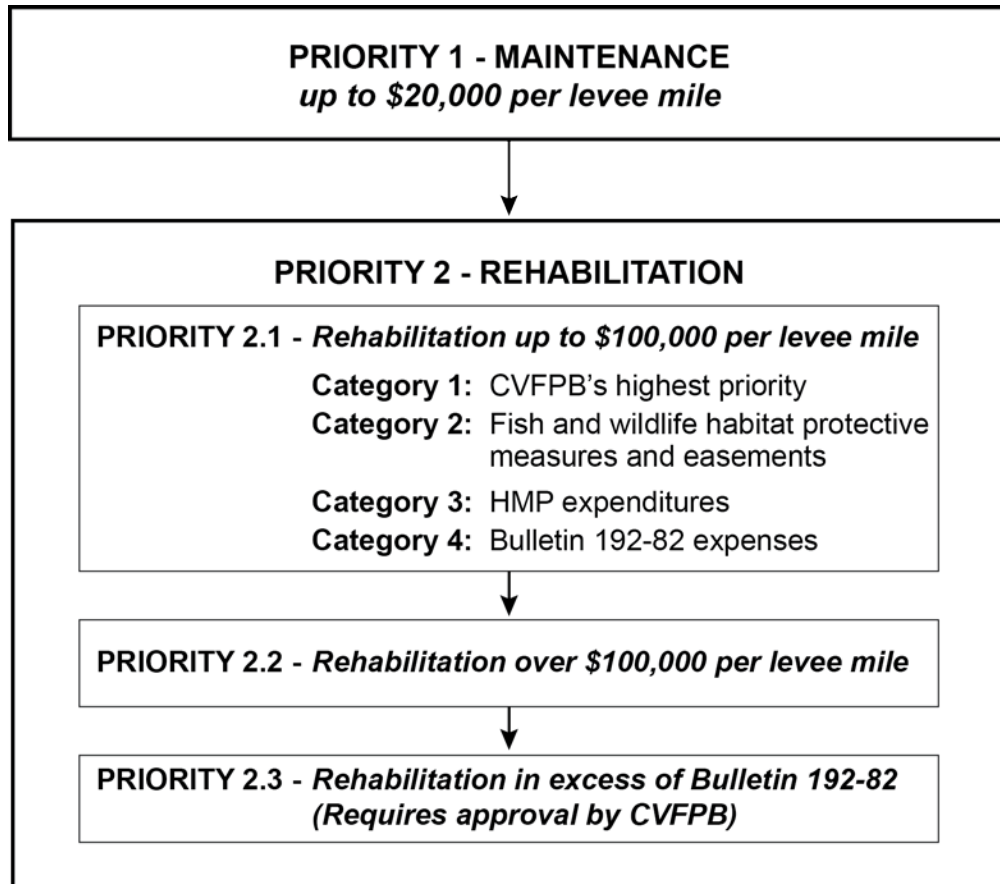
#### Fiscal Year 2017-2018:

The allocated funding for this fiscal year is proposed to be \$12 million. This amount is a reasonable funding level and is the outcome of discussions between staff and the stakeholders. The source of this funding is Proposition 1E.

Staff received 72 applications totaling approximately \$68 million. Tables 1 through 3 have been prepared for the Board's review. Table 1 lists application amounts by local agencies and shows the eligible amount of reimbursements by priority, as defined in the *2016 Subventions Program Guidelines* and as shown in Figure 1 - Funding Priority

Funding Flow Chart. Table 2 presents the FY 2017-2018 Funding Plan setting the maximum reimbursement and allocating the proposed \$12 million and the corresponding advance amount. Table 3 provides a summary of available reimbursement amounts and corresponding reimbursement rates for each priority up to the proposed funding of \$12 million.

**Figure 1 – Funding Priority Flow Chart**



### **III) STAFF RECOMMENDATIONS**

Staff recommends the following:

1. The CVFPB approve the amended fiscal year 2016-2017 Table 2 which establishes maximum reimbursement amounts and the limits on advances.
2. The CVFPB approve fiscal year 2017-2018 Table 2 which establishes maximum reimbursement amounts and the limit on advances.
3. The CVFPB authorize DWR staff to proceed with preparation and circulation of the work agreements for signature by the Board's Executive Officer.

**ATTACHMENTS:**

- Fiscal Year 2016-2017 Amended Table 2 – Funding Plan
- Fiscal Year 2017-2018 Table 1 - Application Amounts by Priority
- Fiscal Year 2017-2018 Table 2 - Funding Plan
- Fiscal Year 2017-2018 Table 3 - Estimated Reimbursements Summary