

The Need to Address the True Cost of Long-Term Operations, Maintenance, Repair, Rehabilitation, and Replacement of the SPFC Flood System

Background

Operations, Maintenance, Repair, Rehabilitation, and Replacement (OMRR&R) activities are critical for long-term, sustainable flood management in the Central Valley. A robust and fully-funded OMRR&R program is fundamental to proper function of the State Plan of Flood Control (SPFC), ensuring public safety, and upholding the State's legal assurances to maintain federal flood project features to the congressionally authorized level of protection.

At present, the OMRR&R challenge is two-fold:

- OMRR&R activities have been chronically under-funded, and
- A regulatory framework has evolved such that flood managers face conflicting mandates.

While the Central Valley Flood Protection Board is the State signatory for project assurances to the federal government, responsibilities for OMRR&R are assigned (as appropriate) on a unit-by-unit basis to Local Maintaining Agencies (LMAs) or undertaken by the California Department of Water Resources (DWR) as defined in California Water Code sections 8361 and 12878. Historically, LMAs have only had the ability to undertake routine operations and maintenance (O&M) and typically lack resources to complete non-routine and costly repair, rehabilitation, and replacement work. In addition, LMAs now face pressures that did not exist when the facilities they are responsible for maintaining were originally constructed.

Addressing Improved O&M in the Central Valley Flood Protection Plan

2012 CVFPP Supporting Goal

- **Improve Operations and Maintenance** – Reduce systemwide maintenance and repair requirements by modifying the flood management systems in ways that are compatible with natural processes, and adjust, coordinate, and streamline regulatory and institutional standards, funding, and practices for operations and maintenance, including significant repairs.

The 2012 Central Valley Flood Protection Plan (CVFPP) identified improved O&M as the first of the plan's four supporting goals, acknowledging the importance of O&M in achieving the primary goal of improved flood risk management. More broadly, the CVFPP takes into consideration the interests of the State as a whole in promoting the wise stewardship of public funds and natural resources.

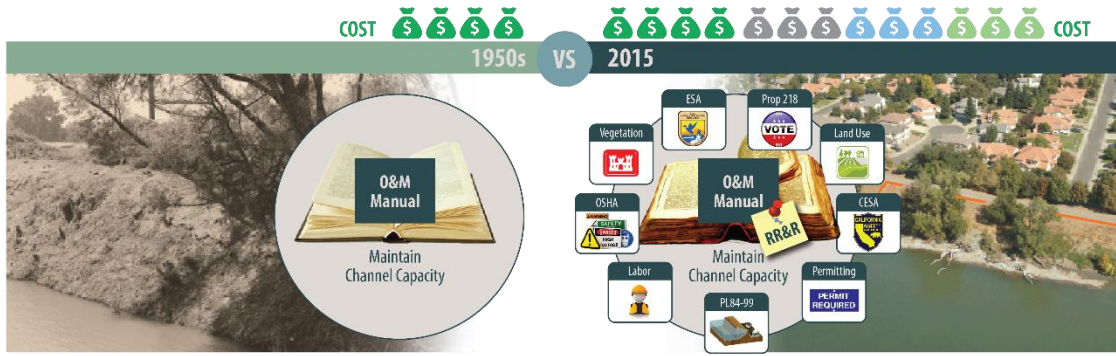
The State is responsible for responding to emergencies and imminent public threats. Therefore, it is in the State's interest to proactively invest funds in efficient and timely OMRR&R activities to reduce the likelihood and/or severity of costly emergency response and recovery.

In 2012, a supporting document of the CVFPP was the *Operations and Maintenance Roles and Responsibilities* (DWR, 2012) Technical Memorandum. This document was used and referenced by the OMRR&R workgroup convened by DWR in 2013 to examine the true needed cost of necessary OMRR&R activities.

OMRR&R Workgroup Findings

Societal values and associated LMA responsibilities have changed with time, while accompanying O&M guidance and funding have not kept up. For example, facilities that were once managed only for capacity through wholesale clearing of vegetation now must address maintenance in an increasingly complex regulatory environment. Agencies must comply with federal flood system maintenance criteria, which requires rigorous maintenance for flood system integrity and capacity, while at the same time navigating a host of environmental protection requirements. In many cases, funding constraints

have hampered agencies' ability to engage in efficient and timely OMRR&R activities, leading to deferred maintenance, which in turn has led to increased flood risk exposure.



Societal values, mandates and associated LMA responsibilities have changed with time, while accompanying O&M guidance and funding have not kept pace.

These funding constraints have also contributed to the lack of agencies' eligibility for federal levee rehabilitation funds under PL84-99, and could negatively affect levee accreditation under the FEMA National Flood Insurance Program.

Today, local and State funding for OMRR&R activities is estimated to total approximately \$30 million annually. However, **extensive study undertaken by DWR and its OMRR&R workgroup shows that to fully fund an OMRR&R program for the SPFC, \$130 million annually is needed.**¹ This cost considers current and proposed urban and non-urban facilities and estimates OMRR&R costs for levees, channels, and structures in both the Sacramento and San Joaquin Basins, and includes the input from a variety of stakeholders, including representatives from the six Regional Flood Management Planning groups.

OMRR&R Workgroup Recommendations

OMRR&R Workgroup findings have been documented in a Technical Memorandum (DWR, May 2016) and recommendations will provide supporting information to the 2017 CVFPP Update. Key workgroup recommendations include:

- Develop a subventions-type annual assistance program for LMAs outside of the Delta linked to dedicated and reliable general funds
- Provide funding to assist LMAs with abandoning or replacing pipe crossings and resolving encroachment issues
- Develop a sustainable program through State legislation to ensure adequate annual funding for DWR channel maintenance activities
- Expand Flood System Repair Program funding to assist LMAs in repairing small erosion sites
- Continue cost-share or grant programs for repairs and improvements to the system to meet CVFPP goals
- Implement regional or programmatic permitting strategies that reduce the cost and improve the efficiency of regulatory compliance for OMRR&R activities
- Seek grants for assistance in creating landscape-scale permitting strategies (e.g., Section 6 grants from the U.S. Fish & Wildlife Service)
- Seek legislative improvements to existing regulatory requirements to help streamline the implementation of ongoing OMRR&R activities, such as refining State-mandated reporting requirements and reconsidering the application of Proposition 218 assessment proceedings to SPFC OMRR&R activities
- Create a tracking system of OMRR&R activities and spending to provide additional transparency about the value of investment

¹ Projected annual OMRR&R costs assume a functioning and updated system (i.e., deferred maintenance and capital projects not included in estimate).