



February 24, 2017

Honorable Holly Mitchell, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair  
Assembly Budget Committee

Honorable Ricardo Lara, Chair  
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair  
Assembly Appropriations Committee

### **Notification of Intent to Fund through a Separate Appropriations Bill and Redirection of Existing Appropriation—Dam Safety and Emergency Flood Response**

The state has experienced significant rainfall as a result of several atmospheric river storms in January and February 2017. As a result of these storms, the state's reservoirs are at capacity, and additional pressure has been placed on flood control systems in the Central Valley. The significant amount of Sierra snowpack also makes it likely that rivers and streams will continue to experience high flows through the spring and early summer months.

The purpose of this letter is to inform the Legislature that the Administration is: (1) pursuing additional appropriations to supplement ongoing efforts to enhance the safety of dams throughout the state and improve the resiliency of statewide flood protection infrastructure, and (2) implementing immediate actions in the Central Valley and the Sacramento – San Joaquin Delta to reduce potential flood risks by redirecting funds from an existing appropriation.

#### **Enhancing Dam Safety**

The Department of Water Resources (DWR) Dam Safety Program is nationally recognized and inspects 1,250 dams annually. The current dam inspection program includes a visual evaluation of appurtenance structures (like the spillway that failed at Oroville). Over 100 dams have spillways and structures that are relatively old and pose a potential hazard to life, property, and environment in the event of failure. Although 70 percent of high hazard dams have emergency action plans (including Oroville), these plans are not currently required for all dams regulated by the DWR. Furthermore, inundation maps are only created at the time a dam is built or enlarged and such maps are limited to a complete dam failure scenario.

The Administration proposes legislation to require the following:

- **Emergency Action Plans**—Require dams to have an emergency action plan that is updated every ten years with limited exceptions for low-risk dams.
- **Inundation Maps**—Require all dams to have updated inundation maps every ten years, or sooner if local development patterns change. Require the DWR to identify additional scenarios beyond a complete dam failure that need a separate inundation map.

- **Enforcement**—Provide regulatory tools for the DWR to support the above requirements, ranging from monetary fines to operational restrictions for failure to comply.

The Administration also requests the following supplemental appropriations:

- \$6.5 million General Fund loan to the Dam Safety Fund, to ultimately be repaid from revenue generated from dam safety fees, to support the following program enhancements: (1) \$3 million for the DWR's Division of Safety of Dams to conduct more extensive evaluations of appurtenance structures, such as spillways, gates, and outlets, than the current visual inspections. The inspections will include additional geological and hydrological evaluations as well as updated design and construction standards. (2) \$3.5 million for the DWR to review and approve required inundation maps and coordinate the review of emergency response plans.
- \$1.8 million General Fund for the Office of Emergency Services to review and approve dam-related emergency response plans, and coordinate with local emergency management agencies on incorporation into all-hazard emergency plans.

### **Acceleration of Flood Control Investments**

The state has a unique role in flood protection in the Central Valley. The Central Valley Flood Protection Plan, adopted in June 2012, describes a system-wide approach considering the interaction of all flood system components. In particular, the Plan looks beyond the traditional project-by-project approach and justification and incorporates actions on both flood system improvement and proactive floodplain management. Integrated flood management is an approach to flood risk reduction that recognizes the interconnection of flood management actions with water resources management and land use planning, including the value of coordinating across geographic and agency boundaries, integrating environmental stewardship, and promoting sustainability.

The Administration requests a \$387.1 million appropriation from Proposition 1 for the DWR to accelerate a balanced portfolio of flood control projects over the next two fiscal years. These new funds, provided from the flood management allocation of Proposition 1, will complement existing Proposition 1E and Proposition 84 bond funds that have already been appropriated. The result will be over \$1 billion being spent in the next two years. These funds will enhance flood protection in the Central Valley, the Sacramento-San Joaquin Delta, and in other areas of the state with significant flood risk. Consistent with the system-wide approach identified in the Central Valley Flood Protection Plan, these funds will help meet the urgent needs of urban, small community, and rural areas throughout the Central Valley, Delta, and beyond.

### **Emergency Flood Response—Emergency Preparedness and Advanced Measures**

On January 23rd, the Governor issued an emergency proclamation as a result of the severe atmospheric river storms across the state. Under the Governor's emergency powers, the Governor is authorized to redirect existing appropriations to respond to an emergency situation. Control Section 6.10 of the 2016 Budget Act provides \$100 million to the DWR for deferred maintenance projects on flood control levees. As authorized under Section 8645 of the Government Code, the Governor is redirecting up to \$50 million of the DWR's deferred maintenance appropriation for the following activities:

- **Emergency preparedness, response, and coordination**—Preparedness and response actions will include pre-deployment of flood-fight materials, flood-fighting, levee risk assessments, and increased coordination between state, local, and federal agencies.
- **Flood risk reduction project implementation**— Flood control projects will be completed within the current flood season and will address human health and safety issues, flood system conveyance limitations, and critical infrastructure needs in areas at risk of significant flooding.

Additionally, the remaining amount of the DWR's deferred maintenance appropriation will be available on an as-needed basis for any future flood-related emergency event including, but not limited to, an immediate repair or stabilization of a levee or flood control structure to prevent a failure.

If you have any questions or need additional information regarding this matter, please call Matt Almy, Assistant Program Budget Manager, at (916) 324-0043.

MICHAEL COHEN  
Director

By:

A handwritten signature in black ink, appearing to read "Amy M Costa", written over a printed name.

AMY M. COSTA  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Honorable Bob Wieckowski, Chair, Senate Budget and Fiscal Review Subcommittee No. 2  
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3  
Mr. Mac Taylor, Legislative Analyst (3)  
Mr. Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee  
Mr. Mark McKenzie, Staff Director, Senate Appropriations Committee  
Mr. Kirk Feely, Budget Fiscal Director, Senate Republican Fiscal Office  
Mr. Craig Cornett, Senate President pro Tempore's Office (2)  
Mr. Christian Griffith, Chief Consultant, Assembly Budget Committee  
Mr. Pedro R. Reyes, Chief Consultant, Assembly Appropriations Committee  
Ms. Cyndi Hillery, Staff Director, Assembly Republican Fiscal Committee  
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office  
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Christopher W. Woods, Assembly Speaker's Office (2)  
Mr. Bryan Cash, Deputy Assistant Secretary, Natural Resources Agency  
Mr. Kristopher Tjernell, Special Assistant for Water Policy, Natural Resources Agency  
Mr. Gary Bardini, Deputy Director, Department of Water Resources  
Mr. Duard MacFarland, Budget Officer, Department of Water Resources

Amendment to the 2016 Budget Act (as of 2017-18 Governor's Budget)

*The people of the State of California do enact as follows:*

**SECTION 1.** Item 0690-004-0001 is added to Section 2.00 of the Budget Act of 2016, to read:

0690-004-0001—For support of Office of Emergency Services.....1,867,000

Schedule:

(1) 0380-Emergency Management Services..... 1,867,000

Provisions:

1. The funds appropriated in this item are available for encumbrance or expenditure until June 30, 2018.

**SEC. 2.** Item 3860-004-3057 is added to Section 2.00 of the Budget Act of 2016, to read:

3860-004-3057 — For support of Department of Water Resources, payable from the Dam Safety Fund..... 6,500,000

Schedule:

(1) 3245-Public Safety and Prevention of Damage.....6,500,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.
2. The funds appropriated in this item are available for encumbrance or expenditure until June 30, 2018.

**SEC. 3.** Item 3860-004-6083 is added to Section 2.00 of the Budget Act of 2016, to read:

3860-004-6083— For support of Department of Water Resources, payable from the Water Quality, Supply, and Infrastructure Improvement Fund of 2014 ..... 387,100,000

Schedule:

(1) 3245-Public Safety and Prevention of Damage.....387,100,000

Provisions:

1. The amounts appropriated in this item may be transferred to the Water Resources Revolving Fund (0691) for direct expenditure in such amounts as needed to meet operational needs.
2. The funds appropriated in this item are available for encumbrance or expenditure until June 30, 2019, for support, local assistance, or capital outlay.

**SEC. 4.** Item 3860-014-0001 is added to Section 2.00 of the Budget Act of 2016, to read:

3860-014-0001—For transfer by the Controller, to the Dam Safety Fund..... (6,500,000)

Provisions:

- (1) The transfer made by this item is a loan to the Dam Safety Fund and shall be repaid from the revenues collected by the Dam Safety Program. The loan shall be repaid by June 30, 2020, unless the repayment is extended through the annual budget act or other legislation. The loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer.