COMMITTEES
VICE CHAIR: WATER, PARKS AND WILDLIFE
AGRICULTURE
APPROPRIATIONS
GOVERNMENTAL ORGANIZATION
HEALTH

**E-MAIL**Assemblymember.Gallagher@assembly.ca.gov

Assembly
California Legislature

STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0003 (916) 319-2003 FAX (916) 319-2103

DISTRICT OFFICES

1130 CIVIC CENTER BOULEVARD, SUITE F
YUBA CITY, CA 95993
(530) 671-0303
FAX (530) 671-0308

2060 TALBERT DRIVE, SUITE 110 CHICO, CA 95928 (530) 895-4217 FAX (530) 895-4219

JAMES GALLAGHER ASSEMBLYMEMBER, THIRD DISTRICT

March 27, 2017

Assemblymember Richard Bloom, Chair Budget Sub Committee No. 3 on Resources and Transportation State Capitol, Room 2003 Sacramento, CA 95814

Dear Chairman Bloom,

I respectfully request Budget Subcommittee No. 3 on Resources and Transportation hear a proposal to direct \$100 million on an annual basis to the Department of Water Resources (DWR) to allocate towards reimbursement, critical repairs, and serious repairs of flood control infrastructure. The high-water events of January and February 2017, in addition to the extreme fluctuations of flows and rapid down-draws due to the Oroville spillway impairments, have caused significant damage to flood control structures that need to be addressed as soon as possible. Moreover, as climate change impacts result in additional pressure on the flood control system, consistent investment becomes even more critical.

We must provide a consistent and reliable source of funding to reduce flood-risk. Our levees have experienced significant damage that could prevent them from doing well in the next high-water event unless emergency repairs are completed this year. Additionally, consistent funding is necessary to address the backlog of operation and maintenance needs across the state.

**Reimbursement:** Local agencies have already spent over \$25 million <u>this year</u> on emergency response activity. For example, the Sutter Butte Flood Control Agency and Reclamation District 17 have each invested \$5 million, and Reclamation District 563 (Tyler Island) has invested \$2.5 million. State funds must be made available to reimburse local agencies for these investments and to help them recover from these considerable financial hits.

*Critical Repairs:* Critical repairs are repairs that must be prioritized for construction prior to the start of the next flood season, and there is about \$100 million in *immediate critical need*. Some examples include Reclamation District 108 levee slips estimated to cost \$2 million, Sacramento West Side Levee District levee seepage estimated to cost \$10 million, and Levee District 1 (Yuba City) levee seepage estimated to cost \$25 million.

**Serious Repairs:** Serious repairs must be made to urban and rural flood protection facilities in high flood risk areas. There repairs should be made concurrently with critical repairs over the next year. Current need is estimated at \$150 million, but the total extent of damage is difficult to assess until water levels recede.

While the Governor's emergency funding plan is a good start, it is but a drop in the bucket. California needs sustainable funding for ongoing repairs of our aging infrastructure. Moreover, a lot of projects will not eligible for funding due to restrictions under Proposition 1, and the \$50 million given to DWR through the administration's existing authority may not be available for immediate levee repairs and reimbursements. Additionally, while local agencies can seek federal PL 84-99 flood response funding, this funding is not reliable across the system and is limited to only those levees that are eligible based on historical efforts.

The above needs represent critical operation and maintenance needs that are better addressed through the general fund, and not through general obligation bonds. The request of \$100 million is consistent with the 2016/17 General Fund appropriation, and represents the amount of work that can be achieved each year to incrementally reduce the backlog of deferred maintenance and serious repairs between high-water events. General Fund money would also allow critically damaged structures to take precedence following major flood events, such as those of the current flood season. This approach is consistent with the Central Valley Flood Protection Plan (CVFPP).

Overall, the maintenance needs are staggering. The CVFPP update estimates up to \$21 billion needed over 30 years for upkeep of the State Plan of Flood Control system of levees and bypasses. An analysis by the DWR and the U.S. Army Corps of Engineers identified more than \$50 billion in needs in a 2013 report. A 2017 report by the Legislative Analyst's office found that to reduce flood risk across the state, we need tens of billions of dollars above current expenditure levels over the next couple of decades.

Twenty percent of Californian's population lives in flood plains, with \$575 billion in at-risk structures. The 1969 floods killed 47, injured 161, and resulted in \$300 million in economic losses. The 1986 floods claimed 13 lives and caused \$400 million in damage. The 1997 flood resulted in economic losses of \$1.8 billion. We must recognize that, in the long-term, this kind of investment will save lives, protect property and infrastructure, and save the state billions.

Thank you for your time and attention to this important issue. Please feel free to contact me or my Capitol Director, Katja Townsend, at (916)-319-2003 or at <a href="mailto:katja.townsend@asm.ca.gov">katja.townsend@asm.ca.gov</a> if you have any questions regarding this request.

Sincerely,

Assemblyman James Gallagher

CC:

Susan Chan, Assembly Budget Committee
Assemblyman Vince Fong, Assemblyman District 34
John Kennedy, Assembly Republican Caucus
Assemblyman Jim Patterson, Assemblyman District 23
Robert Spiegel, Assembly Republican Caucus
Joe Stephenshaw, Senate Budget Committee
Teresa Trujillo, Assemblymember Obernolte
Senator Bob Wieckowski, Chair, Senate Budget Subcommittee 2