

Good Morning President Edgar and members of the Board. My name is Jeremy Arrich, and I am Chief of the Department of Water Resources' (Department) Central Valley Flood Planning Office, which managed preparation of the draft 2012 Central Valley Flood Protection Plan (Plan).

I'd like to congratulate the new Board members on their appointments, and I look forward to working with the Board on adopting and implementing the Plan.

Developing a systemwide plan of this scale requires a lot of collaboration, and we want to acknowledge the involvement of the partners and stakeholders who have participated in Plan development.

In addition, the Board has been our partner throughout this process. For over a year, we have provided the Board with monthly briefings on Plan development. Since we delivered the draft Plan in late December 2011, we have been in close coordination with the Board and staff on the Plan and adoption process.

Today, I will provide an overview of the draft Plan.

WHY WE'RE HERE

We are here today because the flood management system for the Central Valley needs a major overhaul.

- Flood risks in the Central Valley are among the highest in the nation, putting the people of California and their economic livelihoods at unacceptable risk.

The State Plan of Flood Control (SPFC) was not built to do the job we expect of it today. Much of it is over 100 years old and was constructed in a piecemeal fashion. It suffers from a lack of stable funding, and problems like deferred maintenance, changes in regulations and societal priorities, and imprudent development in deep floodplains, leaving almost a million people at risk.

In the past, we benefitted from federal support and funding. In the future, federal resources in both staff and funding are likely to diminish; at the same time, increasing federal regulations present additional implementation challenges.

- In response to these realities, the State legislature enacted unprecedented flood risk management legislation in 2007, including the Central Valley Flood Protection Act of 2008. The Act set a clear directive for an integrated systemwide approach to Central Valley flood management, and provided detailed guidance for the Department to follow in formulating the Central Valley Flood Protection Plan. The Act specifically requires the Plan to: provide significant systemwide benefits, evaluate both structural and non-structural improvements, provide a description of the entire system and its current performance, promote multi-purpose projects, and leverage other funding sources.

**Central Valley Flood Protection Plan April 2012 Public Hearing
Introductory Statement by California Department of Water Resources**

WHAT THE PLAN IS

The Central Valley Flood Protection Plan describes the State's vision for a sustainable flood management system in the Central Valley. It provides for a high degree of public safety, promotes long-term economic stability, and supports compatible efforts to restore riverine and floodplain ecosystems.

We believe that the State Systemwide Investment Approach (SSIA) is a responsible and balanced investment approach to achieve this vision.

Today, more than ever, it is important to prioritize limited public funds and to invest them responsibly. Investments should be reasonably commensurate with flood risks; in actions that support proactive system maintenance and residual risk management; in actions that promote prudent floodplain management; and in actions that integrate multiple, complementary benefits.

Public safety is the State's highest priority. The State proposes actions to benefit all Central Valley residents protected by the SPFC — both within and outside urban centers.

- Consistent with the authorizing legislation, the SSIA establishes minimum flood protection targets for the State's investment in public safety. Specifically,
 - For urban areas protected by the SPFC, we propose to help cities and counties achieve at least 200-year flood protection.
 - We propose managing rural flood risks through a combination of physical improvements and non-structural actions to support small communities and sustainable rural-agricultural enterprises, without promoting development within SPFC floodplains.
 - Continued viability of small communities is critical to preserving cultural and historical continuity and important social, economic, and public services to rural populations.
 - Many small communities would receive 100-year flood protection through improvements in adjacent urban areas or system improvements. The Department is committed to working with small communities on a case-by-case basis to identify appropriate State investments in additional structural and non-structural actions (such as fixing weak spots in existing levees, constructing new levees, building flood walls, flood-proofing, or relocations).
 - In addition to protecting small communities, State investments in rural-agricultural areas focus on improving overall flood risk management and promoting sustainable rural-agricultural economies.
 - We propose actions to provide all-weather access roads for inspection and flood-fighting. We are committed to working with the rural-agricultural community to develop cost-effective levee repair criteria for rural levees and implement economically feasible localized projects to resolve known SPFC performance problems.

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- The Central Valley Flood Protection Act requires the Department to evaluate ways to “...expand the capacity of the flood protection system in the Sacramento-San Joaquin Valley to either reduce flood flows or convey flood waters away from urban areas”.
 - Our evaluation concluded that expansion and extension of the bypass system and continued improvements in reservoir operations are the most effective ways to reduce flood stages throughout the system, benefiting urban, small communities, and rural-agricultural areas alike. This also provides opportunities for ecosystem restoration and environmental enhancement of the flood management system that contribute to mitigation for proposed structural improvements as well as mitigation for operations and maintenance of flood management facilities.

Even with all the physical improvements proposed in the SSIA, flood risks will always remain in the Central Valley. Therefore, the SSIA also includes investments in residual risk management, such as emergency preparedness and response, support for flood insurance reform, and actions to discourage imprudent development in floodplains protected by the SPFC. These are cost-effective system investments that would benefit all areas within SPFC floodplains.

Under the SSIA, we also recognize the importance of maintenance in protecting State investments. Therefore, we propose actions to improve efficiency, including encouraging the consolidation of operations and maintenance responsibilities on a regional basis and for critical system elements (such as bypasses), and streamlining the permitting process.

This comprehensive, systemwide management approach is imperative for achieving long-term, sustainable flood management in the Central Valley.

We have evaluated other options; however, none of them achieve the long-term sustainability, balance of our goals, or fiscal responsibility demonstrated by the SSIA.

Flood protection in the Central Valley’s deep floodplains is costly. The State will always advocate for higher levels of flood protection and implementation of multi-benefit projects. However, we recognize the importance of being fiscally responsible.

- With a cost estimated between \$14 and \$17 billion, the SSIA:
 - Reduces the potential for loss of life by 50% and annual flood damages by 67%.
 - Boosts construction-related jobs and economic output by 6,500 jobs and over \$100 million annually, respectively.
 - Provides 200-year or greater flood protection to 100% of citizens in urban areas protected by the SPFC, and 100-year or greater flood protection to 90% of small community and rural-agricultural citizens protected by the SPFC.
 - Provides up to 10,000 acres of additional habitat within the flood management system, providing opportunities to improve habitat quantity, quality, and connectivity.
- This estimated cost includes the bond funds we have already utilized in advancing the responsible and balanced approach called for in the SSIA.

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WHAT THE PLAN IS NOT

- The Plan and its Program Environmental Impact Report do not, in and of themselves, permit any specific, physical improvement actions to move forward.
- The Plan does not provide detailed project descriptions or funding assurances.
- The Plan does not preclude any future actions that could contribute to our flood management goals.

WHAT'S NEXT

- The Department is already proactively investing available funds through early implementation projects, critical repairs, and other actions consistent with the SSIA. But current available bond funding is not sufficient to fully implement the recommended SSIA as a whole.
- Per legislative requirements, after the Central Valley Flood Protection Plan is adopted by the Board, the Department will develop a financing plan, potentially including legislative actions, for establishing reliable funding for continued implementation of the SSIA in its totality to benefit the entire Central Valley and the State of California.
- As described in the Plan's implementation section, additional regional planning and State-led feasibility studies will be conducted to refine the SSIA, including physical elements such as the size and configuration of the proposed bypass system expansion and new bypasses. We conducted an extensive and adaptive engagement process for the 2012 Plan, and we are committed to engaging local agencies and other interests in the regional planning and feasibility study efforts.
- Through the legally mandated five-year update process, we can continue to enhance both the vision and the supporting information as we move forward with implementation.

The Department appreciates the opportunity to work with the Board, local communities, partnering agencies, and other stakeholders toward adoption of the Plan over the next three months.