

DEPARTMENT OF WATER RESOURCES

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JUN 19 2008

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California 95814

Dear Mr. Wilson:

The Budget Act of 2006 requires the Department of Water Resources (DWR) to report quarterly, beginning August 1, 2006, on expenditures of funds pursuant to Assembly Bill 142 (Nunez, Chapter 34, Statutes of 2006) until such funds are exhausted. The Budget Act further requires DWR to report the expenditures by project. This report is submitted in compliance with these requirements and reports the cumulative expenditures and remaining commitments through the quarter ending August 31, 2007.

If you have any questions, please contact me at (916) 653-7007, or your staff may contact David A. Gutierrez, Deputy Director, at (916) 653-9502.

Sincerely,
Original signed by
Lester A. Snow

Lester A. Snow
Director

Attachment

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Joint Legislative Budget Committee
State Capitol, Room 5035
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Chief Counsel

Report to Legislature

ASSEMBLY BILL 142 EXPENDITURES

As of August 31, 2007



State of California

The Resources Agency

Department of Water Resources

OVERVIEW

The following is a summary of AB 142 expenditures and commitments as of August 31, 2007:

Project	Expenditures	Commitments	Project Totals
2005 Critical Erosion Repairs (33 Sites)	\$143,290,187	\$13,188,527	\$156,478,714
2006 Critical Erosion Repairs (24 Sites)	\$78,910,596	\$19,957,816	\$98,868,412
PL 84-99 Rehabilitation Assistance (47 Sites)	\$33,981,175	\$6,418,959	\$40,400,134
American River Common Features	\$3,708,767	\$2,645,273	\$ 6,354,040
Levee Evaluations Program	\$14,195,971	\$8,307,417	\$22,503,388
Flood Maintenance	\$3,518,665	\$802,000	\$ 4,320,665
Flood Fight Materials and Equipment	\$934,500	\$6,600	\$941,100
April 2006 Flood Fighting	\$6,593,116	\$4,870,000	\$11,463,116
Grants for Non-project Levees	\$231,922	\$117,737	\$349,659
Grants for Non-project Levees in the Delta	\$1,800,000	\$200,000	\$2,000,000
Delta Emergency Response and Preparedness	\$133,995	\$179,248	\$313,243
07/08 General Fund Allotment *(\$8,445,000)	\$0	\$0	\$0
TOTAL	\$287,298,894	\$56,693,577	**\$343,992,471

*\$8.445 million of AB142 funding will be used to supplement 07/08 Program General Fund baseline allocations.

** The Budget Act of 2007 reverted \$168 million from the AB 142 appropriation and instead provided Proposition 1E and Proposition 84 funds to carry out planned activities. To reflect this fund shift, AB 142 obligations were reduced after August 31, 2007 and the reduced amounts will appear in future quarterly reports. DWR will continue to reduce obligations to make the total expenditures and commitments less than \$332 million.

CRITICAL EROSION REPAIRS

INTRODUCTION

On February 24, 2006, Governor Arnold Schwarzenegger declared a state of emergency for California's levee system. Executive Order S-01-06 directs the Department of Water Resources (DWR) to identify and repair critical eroded levee sites on California's levee system to prevent catastrophic flooding and loss of life. Initially, 24 sites identified in a 2005 levee survey were determined to be critical and in need of immediate repair. Nine additional levee sites were later determined to be critical. Accordingly, a total of 33 sites were targeted for repair and are referred to as the "2005 Critical Erosion Repairs."

In 2006, the U.S. Army Corps of Engineers (Corps) identified an additional 24 Critical Erosion Sites on the Sacramento River and its tributaries. Furthermore, the January and April 2006 flood events damaged levees throughout the Sacramento and San Joaquin flood control systems. Hundreds of levee damage sites were prioritized by the Corps under the federal PL 84-99 Rehabilitation Program. Of these, 47 were identified as sites that were critically damaged and located on levees that protect areas for which immediate repairs were economically justified. In response, the Governor issued Executive Order S-18-06 on October 3, 2006, directing the immediate repair of these 71 new sites, referred to as the "2006 Critical Erosion and PL 84-99 Sites." DWR is spending AB 142 funds to respond to this emergency. In August 2007, the Corps revised its Benefit/Cost Analysis and added six more Order 2 PL84-99 sites in Reclamation District (RD) 150 which met the eligibility criteria for federal rehabilitation assistance, raising the total of PL84-99 sites to 53.

In all, 110 sites covering 2005 and 2006 Critical Erosion and 53 PL84-99 Rehabilitation Assistance sites are shown in Figure 1.

Project Planning

DWR, in coordination with the Corps, developed a plan to accomplish the work on a priority basis throughout the summer and winter of 2006-2007. Due to the large number of sites, the potential for sustained inclement weather conditions, and a compressed repair schedule, 66 of the sites were phased to allow work to begin before final designs were completed in 2007. Of 33 2005 Critical Erosion sites, the Corps did planning, design and repairs on 11 sites and DWR covered 22 sites. The Corps is repairing 14 2006 Critical Erosion sites and DWR is repairing 10 Critical Erosion sites. Similarly, the Corps is lead on 28 PL 84-99 sites and DWR is taking the lead on 25 PL 84-99 sites. The repairs at 13 of the DWR sites were designed and constructed by the Brannan Andrus Levee Maintenance District (BALMD).

In June 2006, the planning and design phase of the project began with site inspections, field surveys, and collection of relevant design information on each of the first 24 sites. In October 2006 an additional 9 sites were designed. In November 2006, DWR and the Corps collected basic information and consulted with resource agencies on the remaining 71 sites to enable the State and the Corps to meet all environmental laws and permit requirements while maintaining the emergency schedule for construction. Coordination among the resource agencies, the Corps, and DWR is being done through a mutually agreed-upon Action Plan for Alternative Endangered Species Consultation Procedures for the State-federal expedited repairs during winter. A technical team composed of representatives from the Corps, DWR, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration

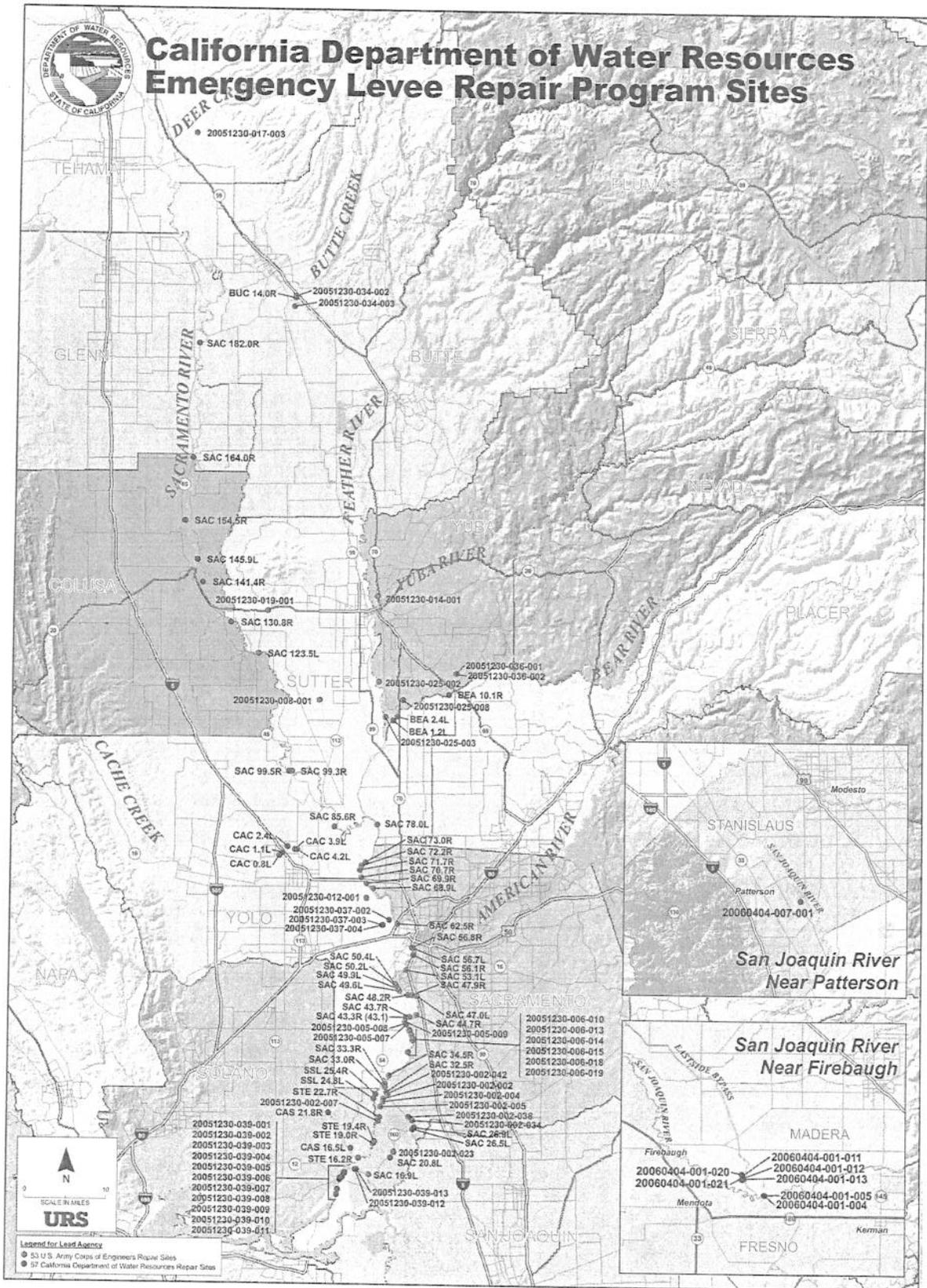


Figure 1: Critical Erosion and PL84-99 Repairs

Fisheries Service, Department of Fish and Game (DFG), and the State Water Resources Control Board (SWRCB) reviewed and approved designs and mitigation plans for both the PL 84-99 and the new 24 Critical Erosion sites.

By November 2006, DWR received provisional letters allowing construction to proceed. All provisional permission will be followed by completed permits. The Action Plan enables timely completion of levee repairs and will allow DWR to meet all required federal environmental permits, including the Clean Water Act, Endangered Species Act, National Environmental Policy Act and other applicable federal laws. DWR also consulted with State environmental agencies to ensure this project meets all State environmental measures under the California Environmental Quality Act (CEQA). Those agencies include DFG, the California Department of Parks and Recreation, State Lands Commission, the Reclamation Board, SWRCB, and the Central Valley Regional Water Quality Control Board.

In August, 2007, the Corps re-evaluated the Benefit/Cost Analysis for RD 150 and informed DWR that additional 6 Order 2 sites became eligible under the PL84-99 Rehabilitation Assistance Program. These 6 sites are planned for repairs in 2008. The addition of these 6 sites brings the total number of critical sites to 110.

Project Construction

Current construction status is summarized in Table 1. Overall, final construction has been completed on 57 sites, construction is underway at 45 sites, and design is underway at 8 sites. All sites are being repaired in a two-phase approach: Phase I repairs provide structural integrity for the levee, and Phase II repairs incorporate on-site mitigation features. Further details on the 2006 Critical Erosion and PL 84-99 Rehabilitation Programs follow:

2005 CRITICAL EROSION REPAIRS (33)

The 33 critical erosion sites (24 sites originally identified in 2005, increased to 33 in 2006) are being repaired throughout the Sacramento River Flood Control System as a result of the 2005 survey. As shown in Figure 1, they are located in six counties: Colusa, Sacramento, Solano, Sutter, Yolo and Yuba. Table 1 summarizes construction status and cost. The structural repairs for all 33 2005 Critical Erosion Sites were completed by November 2006. Plantings and mitigation features at these sites were completed by summer 2007 except the installation of willow pole cuttings at four sites. Due to hot weather, installation of willow pole cuttings has been temporarily postponed, and will be completed in October 2007.

DWR repaired 22 sites while the Corps, in partnership with the Reclamation Board, took the lead on repairing the remaining 11 sites under the Sacramento River Bank Protection Project. The State has advanced \$32,883,000 of AB 142 funds for repairs handled by the Corps with the expectation that the State's funding toward these repairs will be used as a credit towards the State's share of future cost-shared projects with the Corps. DWR estimates the total cost to repair all 33 critical erosion sites to be approximately \$191.7 million, which includes \$152.7 million in state funds, \$15.8 million already paid from federal funds, and a \$23.2 million additional federal commitment. As of August 31, 2007, DWR has expended \$143,290,187 in AB 142 funds on the 2005 Critical Erosion Repairs.

2006 CRITICAL EROSION SITES (24)

Out of the ten DWR-led sites, Phase II construction work on eight sites consisting of soil replacement and plantings is ongoing, and will be completed by November 2007. The remaining two levee setbacks sites on Cache Creek have been designed and negotiations with landowners for land acquisition are underway. The Corps is continuing construction of 14 sites and will complete mitigation work in October 2007.

TABLE 1

Estimated Costs of Critical Repairs Program

Program Lead Agency	No. of Sites	Phase I Completion Date	Phase II Completion Date	Estimated Cost
2005 Critical Erosion				
Corps	10	N/A	10/31/2006	
Corps	1	N/A	1/10/2007	
		Construction Cost (11 Sites)		\$49,100,000
DWR	13	11/30/2006	7/31/2007	
DWR	4	N/A	10/31/2007	
DWR	5	N/A	10/31/2006	
		Construction Cost (22 Sites)		\$107,300,000
		Design, R/W, Permitting, and Legal		\$7,600,000
		Plant Materials		\$1,600,000
		Contract Administration, O&M, and Contingencies		\$26,110,000
TOTAL	33			\$191,710,000
2006 Critical Erosion				
Corps	6	2/24/2007	10/30/2007	\$61,517,000
	8	4/15/2007	10/30/2007	
DWR	8	1/20/2007	10/30/2007	\$40,179,000
DWR	2	N/A	11/30/2007	\$2,965,000
TOTAL	24			\$104,661,000
2006 PL 84-99				
Corps Order 1	17	1/15/2007	2/28/2007	\$13,361,000
	2	9/30/2007	11/30/2007	
DWR Order 1	7	12/14/2006	2/28/2007	\$2,888,000
	1	8/30/2007	10/30/2007	
BALMD Order 1	7	2/28/2007	9/12/2007	\$23,280,000
	6	6/28/2007	9/12/2007	
Corps Order 2	2	12/14/2006	1/10/2007	\$8,450,000
	1	7/30/2007	9/30/2007	
	6	N/A	7/30/2008	
DWR Order 2	4	12/15/2006	12/15/2006	\$1,093,000
TOTAL	53			\$49,072,000
GRAND TOTAL	110			\$345,443,000

Note 1: DWR construction of these sites was not phased; however, plantings (and mitigation features) were deferred to ensure a higher success rate.

As of August 31, 2007, DWR has expended \$78,910,596 on 2006 Critical Erosion repairs. Out of this \$78,910,596, DWR has provided \$30 million to the Corps for construction of the 14 Corps-led sites to meet their construction funding shortfall.

This \$30 million is expected to be credited for future work under the Sacramento River Bank Protection Project.

PL 84-99 SITES (53)

The Corps' Public Law 84-99 Rehabilitation Assistance Program covers repairs for approximately 300 damaged sites on levees throughout the Sacramento and San Joaquin River Flood Control Systems. These sites were damaged during high water in January and April 2006. Repairs are prioritized, beginning with 40 critically damaged levees that protect urban infrastructure ("Order 1" sites). The second priority ("Order 2" sites) for repairs under PL 84-99 includes an additional 46 sites that are also critically damaged, but predominately protect agricultural property. Only 13 of the Order 2 sites have been determined to qualify for repairs because the benefit-cost ratio for the repair exceeds 1.0. Additional Order 3, 4, and 5 sites account for the remaining damaged sites which are not as critical but eligible for repair. There are approximately 133 such sites.

Phase I and II construction on 43 Order 1 and Order 2 sites is complete. DWR provided construction oversight to 13 Order 1 sites in Brannan-Andrus Levee Maintenance District, which are scheduled for completion at the end of October 2007. BALMD landscape plantings at 13 sites are postponed until cooler weather in fall 2007. Completion of Phase 1 construction for three remaining PL 84-99 Order 1 and 2 sites include RD 1602 and RD 1500 (Corps) which are under construction, and Butte Creek (DWR) which has been designed and is in the bidding process. All three sites are scheduled to be completed by early fall 2007.

A Cooperation Agreement between the Corps and the Reclamation Board enables the Corps to receive State funds to perform the work. Normally, federal funds are used for PL 84-99 rehabilitation. However, the Corps did not receive federal funding for PL 84-99 work until May 2007 and accepted \$13,713,000 in State funds to perform the work. Now the Corps has received \$40 million and is expected to spend that amount on the remaining 6 Order 2 and 133 Order 3, 4 and 5 sites. As of August 31, 2007, DWR has expended a total amount of \$33,981,175 in support of this federal program.

Land Acquisition and Transactions

Table 2 identifies parcel locations where permanent rights are being acquired for the four setback levees that were constructed as part of the 2005 Critical Erosion Repairs. No other permanent land rights have been acquired to date; however, there are additional transactions involving temporary access and utility relocations.

Project Budget

Estimated total costs of all three programs (2005 Critical Repair Sites, 2006 New Critical Repair Sites, and PL 84-99 Rehabilitation Sites) were presented in Table 1. The actual expenditures as of August 31, 2007 are shown in Tables 3 and 4.

Project Website

DWR has developed a website (<http://www.levees.water.ca.gov>) specifically for those interested in the emergency levee repair project. Visitors can find exact site locations, up-to-date construction progress, fact sheets by site, photos of erosion sites, and information for those living near or on a critical levee erosion site.

TABLE 2

Land Acquisitions and Transactions to Date

Location	Owner's Name	Parcel No.	Rights to Be Acquired	Size	Estimated Amount	Status
Cache Creek						
LM0.8	Cervantes	13594	Fee	0.87 acres	\$16,965	Completed
(Yolo County)						
LM1.1	Dewey	13595	Fee	1.65 acres	\$32,175	Completed
(Yolo County)			Perm Flood	4.99 acres	\$87,575	Completed
			Easement			
LM2.4	Halett	13593	Perm Flood	2.00 acres	\$90,000	Ongoing
(Yolo County)			Easement			
Sacramento River						
LM145.9	Freschi	13621	Fee	11.44 acres	\$88,000	Ongoing
(Colusa County)						
	Lorenzini	13622	Fee	0.99 acres	\$15,488	Ongoing
			Maintenance Easement	0.10 acres	\$1,995	Ongoing
			Damages		\$7,000	Ongoing
	Melton	13623	Fee	3.02 acres	\$78,770	Ongoing
TOTALS				25.06 acres	\$417,968	

TABLE 3

Critical Erosion Repair Expenditures to Date

Description	Amount
2005 Critical Erosion Repairs (33 Sites)	
DWR AB 142 Funds	\$143,290,000
Corps Contribution	\$15,800,000
2006 Critical Erosion Repairs (24 Sites)	
Design and Construction	
DWR Contracts	\$48,911,000
Corps Contracts	\$30,000,000
Total	\$238,001,000
Federal Contribution	(\$15,800,000)
AB 142 Funds	\$222,201,000

TABLE 4

PL 84-99 Rehabilitation Expenditures to Date

Description	Amount
Design and Construction	
DWR Contracts	\$20,268,000
Corps Contracts	\$14,713,000
Total	\$34,981,000
Federal Contribution	(\$1,000,000)
AB 142 Funds	\$33,981,000

AMERICAN RIVER COMMON FEATURES

INTRODUCTION

DWR spent AB 142 funds to perform scheduled improvements to levees protecting the City of Sacramento under the American River Common Features Project (Project). The Project was authorized by the Legislature in 1997 to provide flood damage reduction improvements along the lower American River (downstream of Folsom Dam), the Sacramento River (downstream of the Natomas Cross Canal) and the Natomas Cross Canal (NCC). The Project's proposed improvements include:

1. Strengthening the levees to reduce the chance of failure due to seepage and levee instability;
2. Raising the levees to increase flood conveyance capacity to a level of performance consistent with providing system-wide minimum levee parity; and
3. Providing bank protection on the American River for conveyance of the design flow. The Project has been funded and is continuing to be funded with capital outlay appropriations. However, an urgent need to fund \$2.1 million beyond available capital outlay funds developed in June 2006, and AB 142 funds were spent to supplement capital outlay funding for the improvements and maintain the project construction schedule.

LOCATION

The Project includes approximately 12 miles of the north and south banks of the lower American River, immediately upstream of the confluence with the Sacramento River; approximately 10 miles of the east levee of the Sacramento River from near the confluence with the American River to the lower Pocket area; approximately 12 miles of the east levee of the Sacramento River, immediately downstream of the NCC; and approximately five miles of the north and south levees of the NCC, immediately upstream of the confluence with the Sacramento River. The Project reaches are located within the jurisdictional boundaries of Sacramento County, Sutter County, the City of Sacramento, Reclamation District No. 1000, the American River Flood Control District, the Sacramento Area Flood Control Agency (SAFCA), and DWR.

DESCRIPTION

The Project is sponsored and cost shared by the Corps, the Reclamation Board, and SAFCA. The Project has been under construction since 1998. Planned and constructed Project features include:

- Strengthening and raising approximately 12 miles of the Sacramento River east bank levee downstream of the NCC.
- Installing slurry walls in approximately 12 miles of the American River north and south bank levees (24 miles total), immediately upstream of the confluence with the Sacramento River.
- Raising approximately 4,500 feet of the American River south bank levee immediately upstream of Mayhew Drain by approximately 2.5 feet.
- Raising approximately 5,500 feet of the American River north bank levee in the vicinity of Howe Avenue by approximately one foot.
- Modifying approximately five miles of the NCC south bank levee to provide a level of performance consistent with that provided by proposed improvements to the Sacramento River east bank levee.
- Modifying approximately five miles of the NCC north bank levee to provide a levee height equivalent to that provided for the NCC south bank levee.
- Installing a closure structure for the Mayhew Drain to prevent American River outflow and flood backwater at Folsom Boulevard.
- Installing approximately 1.2 miles of slurry walls in the American River north bank levee near Natomas East Main Drainage Canal.
- Installing approximately one mile of slurry wall in the American River north bank levee near Jacobs Lane.
- Repairing four erosion sites along the American River totaling approximately 7,000 feet.

AB 142 funds totaling \$2.1 million were paid to the Corps in June 2006 to facilitate construction for the following features:

- Modifying approximately 600 feet of the Sacramento River East Levee near the Pioneer Reservoir (near the Pioneer Bridge over the Sacramento River) to control excessive seepage.
- Installing a 110-foot deep slurry wall for a distance of approximately 800 feet of the Sacramento River East Levee in the Pocket Area to control excessive seepage.
- Installing a 40-foot deep slurry wall for a distance of approximately 1,500 feet of the Sacramento River East Levee in the Pocket Area to control excessive seepage.

DWR's \$2.1 million payment enabled the Corps to open bids in July and complete work on schedule. Without this payment, the work would have been deferred until 2007.

Figure 3 shows work in the Pocket Area of Sacramento that was necessary for achieving FEMA 100-year level protection. The map shows the Pioneer Reservoir site and two Geotechnical Repair sites funded by AB 142 under the American River Common Features Project, along with erosion site repairs performed with other funds under the Sacramento River Bank Protection Project (Critical Erosion Repairs).

An additional \$4.2 million in AB 142 funds are obligated through a contract with the SAFCA for the State's share of construction costs associated with the emergency levee repair at the east levee of the Sacramento River at River Mile 75.1 near the Pritchard Lake area. This work is an emergency response being conducted by SAFCA and the State to correct a chronic seepage problem that became acute in January of 2006. Initial repairs performed in late 2006 by Reclamation District 1000 consisted of driving sheetpiles along the waterside levee slope to cut off problem underseepage. This area has a history of seepage and sinkhole activity. This levee is adjacent to the Natomas Basin and is part of the Federal Sacramento River Flood Control Project. In addition, this site is located in an area currently being studied by the Corps in their Natomas Basin General Reevaluation Report. DWR has entered into a Section 104 crediting agreement with the Corps for this work. When this report is completed, the State may be eligible for federal credits under Section 104 for the funds DWR paid to SAFCA. Figure 4 shows the project site location. As of May 31, 2007, \$1.3 million has been expended on payments to SAFCA and State operations, and an additional \$2.9 million has been committed. No funds have been spent on this contract since May 31, 2007, because SAFCA's schedule proposes construction of the remainder of the seepage repair in fall 2007.

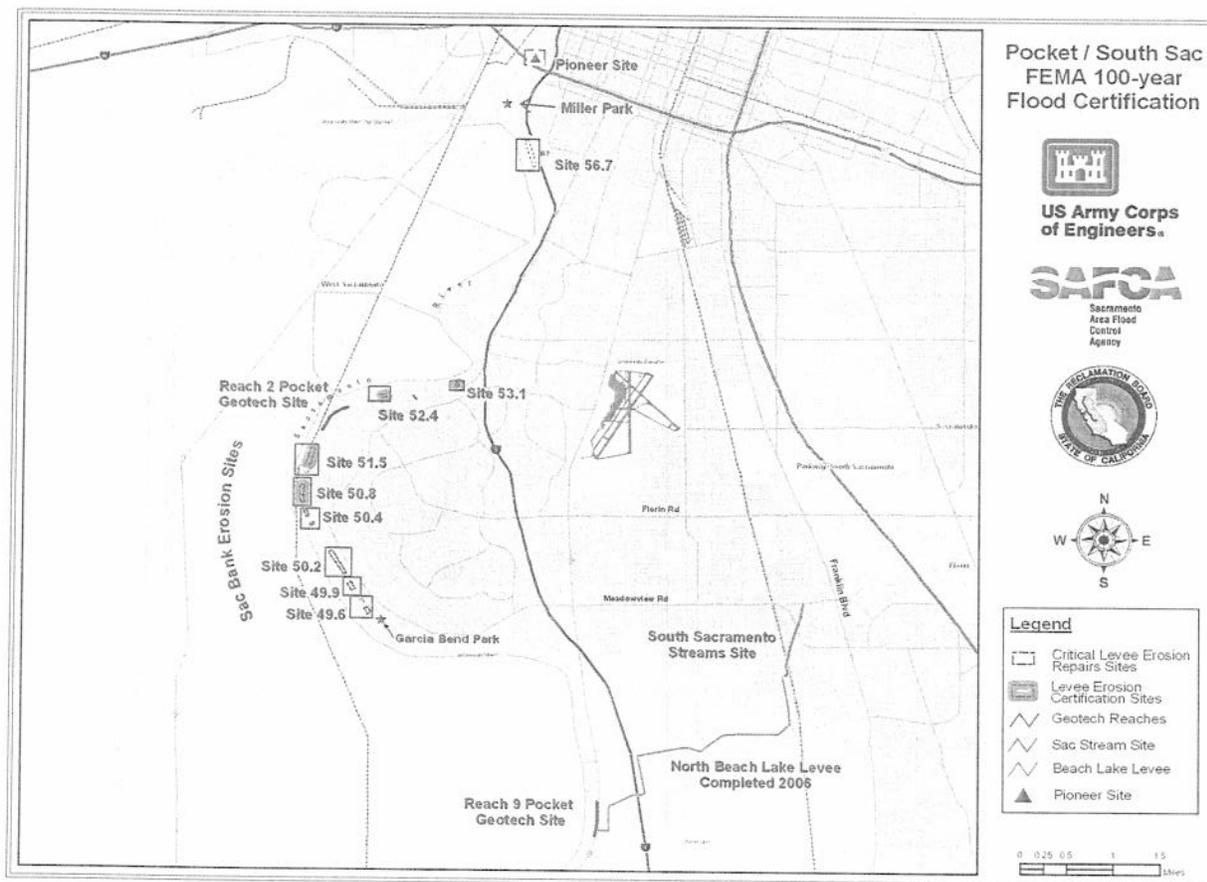


Figure 3: Pocket and Nearby Areas Map Depicting Locations of Flood Control Improvements

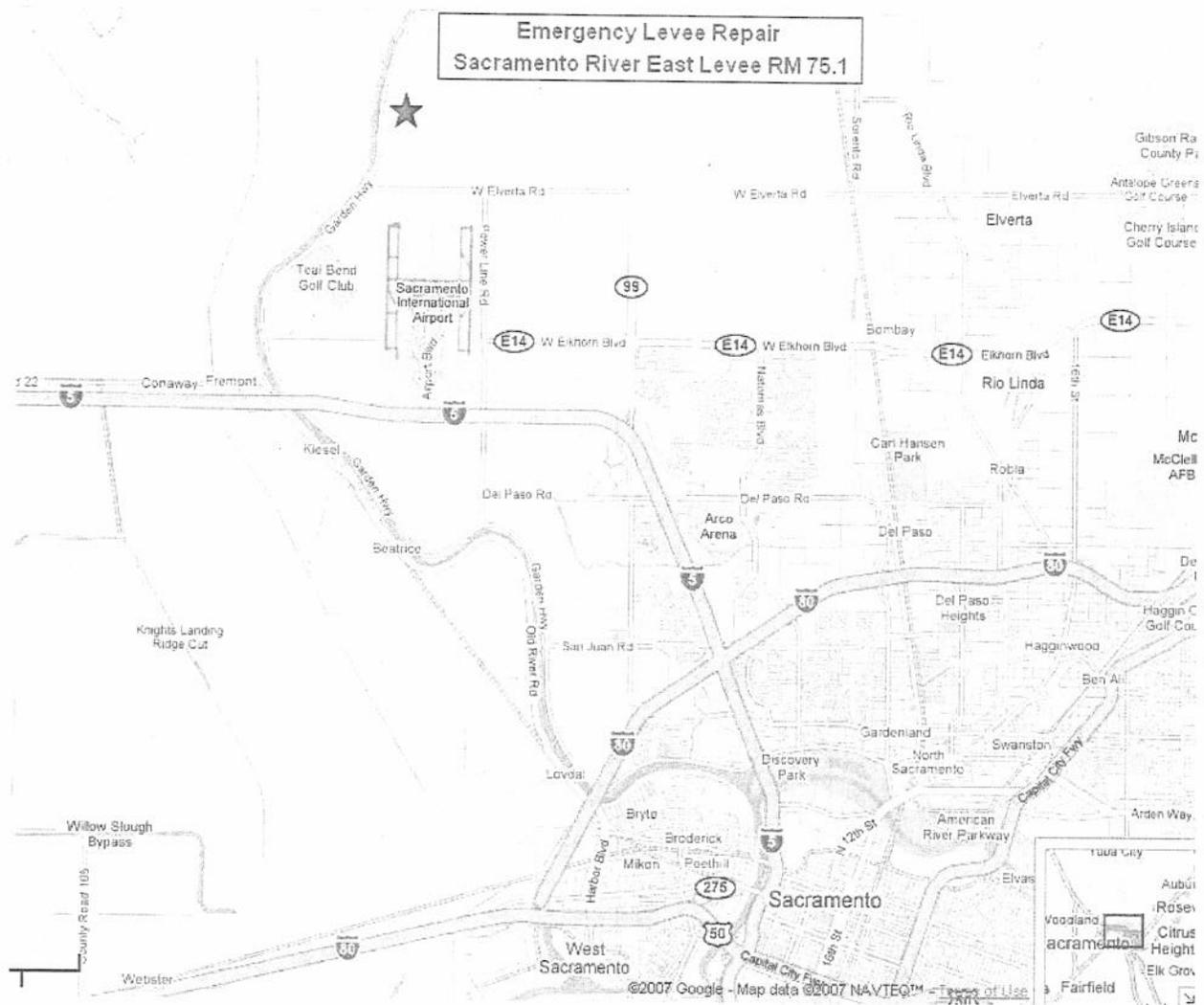


Figure 4: Sacramento River at RM 75.1 near Pritchard Lake

LEEVE EVALUATIONS

DWR is currently evaluating approximately 350 miles of State-federal project levees that protect urban areas in the Sacramento and San Joaquin Valleys. This evaluation program includes geotechnical exploration, testing, analyses, and pre-feasibility design. The levees are evaluated with respect to seepage, static and seismic stability, settlement, and erosion. A 200-year level of flood protection is the goal for urban areas. URS Corporation continues to assist DWR with levee evaluation efforts under a \$35 million three year contract that expires on December 31, 2009.

PROGRESS

Draft preliminary geotechnical evaluation reports are nearly completed in West Sacramento, RD 17, and Marysville. These reports include preliminary analyses, which inform of potential deficiencies as well as indicate areas that lack data. In areas that lack data, additional studies will occur that will lead to a final geotechnical evaluation report that identifies deficiencies and alternatives to mitigate them. In addition, DWR continues to review levee evaluations being conducted by consultants for the City of West Sacramento and began reviewing levee evaluations previously conducted by consultants in Stockton on portions of the SJAFCA project. DWR has initiated review work in RD 404 (Stockton) and along the American River.

Review of existing geotechnical data in RD 787 (Olivehurst) is nearly completed. Initial field explorations (drilling) were completed in Sutter County and in Natomas (along the eastern side of the basin). A more detailed investigation has started in August in the vicinity of Abbot Land and Star Bend where significant seepage and boils occurred in December/January 2005/2006. During 2007, all urban areas will have some level of effort of drilling operations commencing.

Preliminary analyses for seepage and underseepage in West Sacramento and RD 17 have identified deficiencies in the levees and foundations. Further explorations and analyses are planned to further identify/quantify these deficiencies.

A Geographical Information System (GIS) database for levee evaluations is still under development and is partially operational. Work continues to populate this GIS with existing data on the urban project levees.

The independent consulting board (ICB) consisting of Dr. Raymond Seed (UC Berkeley), George Sills (USACE, ERDC), and Chris Groves (Shannon & Wilson) was established for the purpose of providing independent, expert review of geotechnical policies and procedures with regard to safety, performance, state-of-practice, and economy. To date, the ICB has had five meetings (December, January, February, April, and June).

Public outreach events in conjunction with the San Joaquin River Restoration program occurred in August 2007.

TECHNICAL ISSUES

A study to address seismic issues with regard to urban levees is being developed. The first phase of this study is called a seismic vulnerability assessment. It is essentially a first step in understanding the seismic risk that urban levees face, and is general in scope. Preliminary results for RD 17, West Sacramento, and Marysville were completed in August and indicate that West Sacramento and RD 17 have risk with regards to seismic levee stability such that some levees would not perform as intended for a subsequent

10-year flood event. The Marysville levees would be expected to experience little to no seismic deformations.

The hydrology and hydraulics ad hoc committee has worked on determining which hydraulic models should be used to model water surface elevations throughout the system. Additional consulting engineers with expertise in hydraulics were contacted in an effort to find additional models for areas not already included in the system wide models. A comprehensive list of models and locations has been developed and staff is now collecting data from the multiple sources to be shared with the levee evaluation team. This ad hoc committee will continue to meet in order to coordinate ongoing efforts to develop more comprehensive hydrologic and hydraulic models for the State. The models have been shared among staff and water surface elevations have been quantified and are being used for analysis.

Levee evaluations staff are meeting on a regular basis with engineers from RD 17 as they want to develop projects ahead of the Department to fix areas of seepage concerns.

PROGRAM DELAYS

Due to the two month delay in passing a State budget, levee evaluations are delayed. The actual delay is greater than the two months budget delay because drilling operations were cancelled and cannot be immediately resumed. Optimal drilling time was lost (a large portion of the summer dry season was missed), and now the program is nearing environmental windows that curtail drilling activities. The delays will be on the order of two to six months depending on geographic area. Local stakeholders were alerted last May that the lack of a State budget would have a negative impact on the schedule. The Department will notify local stakeholders of the new schedule when available.

COSTS

DWR costs to date for staff time administering the URS contract, management of the program, and field activities, the USACE contract, and the URS contract is \$14,195,971.

FLOOD MAINTENANCE

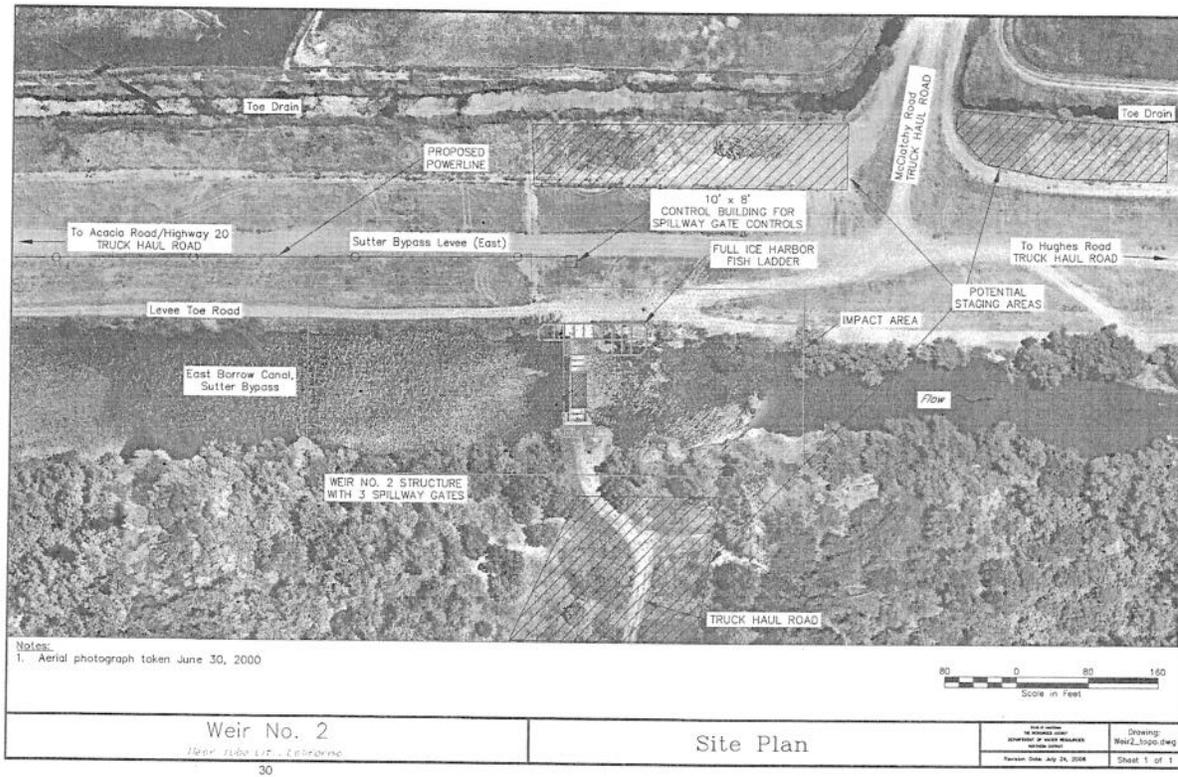
SUTTER BYPASS WEIR 2

WBS #	DESCRIPTION	TOTAL AMOUNT
F.8300.FC07.101	SUTTER BYPASS WEIR 2 Management	\$ 8,514.53
F.8300.FC07.102	SUTTER BYPASS WEIR 2 DESIGN/ANALYSIS	\$ 414,379.04

Weir 2 was built in 1925 in the Sutter Bypass to maintain water surface elevations in the Sutter Bypass East Borrow Canal for diversion of water to farms. The original structure was replaced by the current structure in 1946 but recent inspections of the weir have discovered that the downstream apron is worn and the underlying soil is exposed. This condition indicates seepage is eroding the soil and has made the weir structure unsafe and makes it imperative that the weir be replaced. If the weir were to fail, DWR could be exposed to liability associated with crop loss as irrigation flows from the East Borrow Canal would be interrupted. Additionally, the existing fish ladder at the weir does not meet today's standards for fish ladders. Fish passage is difficult due to the ladder's low flow capacity and lack of sufficient steps. The Endangered Species Act (ESA) listing of spring-run Chinook salmon and steelhead, which are both found in the Sutter Bypass, requires that adequate passage at the weir be provided. In the event this

structure is not replaced, DWR and individual DWR employees could be found to be in violation of ESA obligations.

Funds have been expended for engineering analyses, environmental compliance, and development of final contract documents. Design is 90% completed. The environmental compliance team is evaluating the proposed construction sequence to determine what permits may be needed and determine the biological surveys that must accompany permit applications.

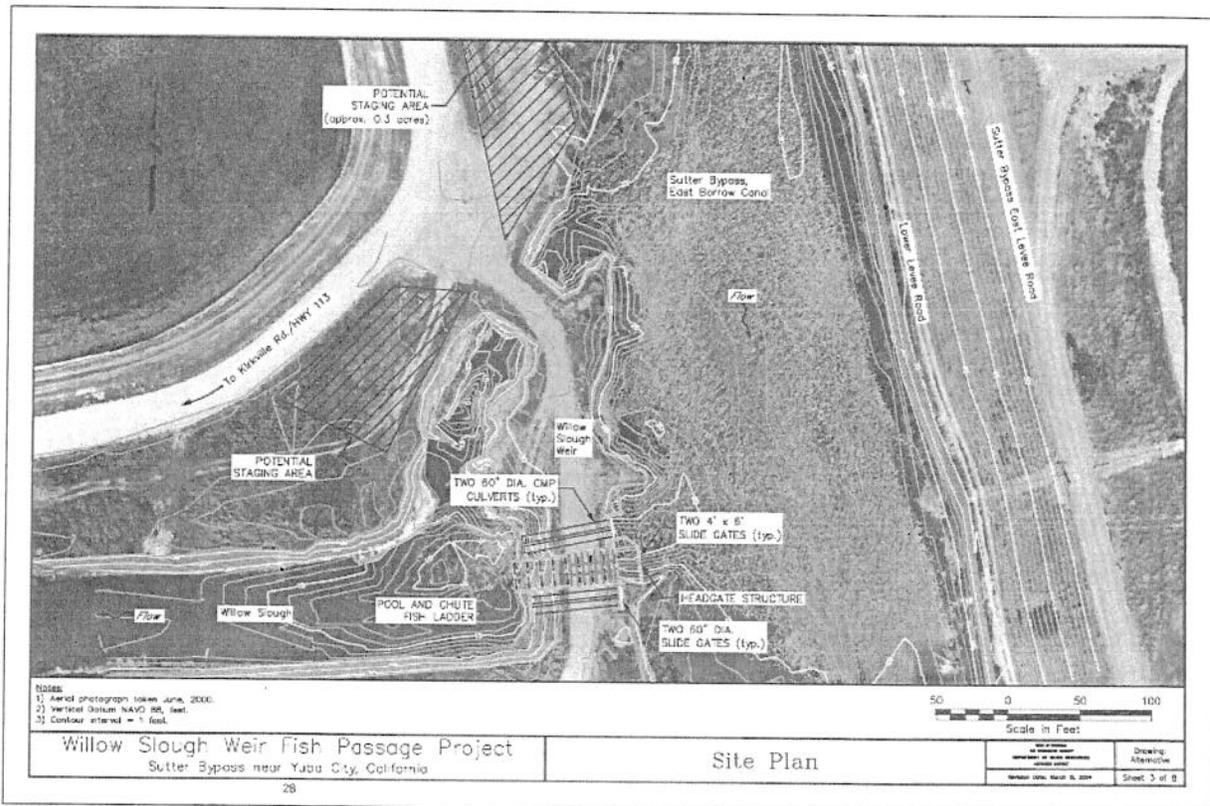


WILLOW SLOUGH WEIR

WBS #	DESCRIPTION	TOTAL AMOUNT
F.8300.FC07.111	WILLOW SLOUGH PROJECT Management	\$ 2,326.19
F.8300.FC07.112	WILLOW SLOUGH DESIGN/ANALYSIS	\$ 114,023.78

Willow Slough Weir is an earthen dam with three 60-inch culverts with slide gates that control flow from the lower end of the Sutter Bypass Eastside Channel into Willow Slough. The structure was completed in 1925 to control water levels downstream of Weir 2 in the Eastside Channel so irrigation water could be diverted to farms. A fish ladder was constructed through the weir in the 1980s. The existing structure does not drain water quickly enough to let water drain by gravity out of adjacent drainage canals. By rebuilding this structure, DWR will improve the efficiency of the flood control operation by doubling the flow capacity of the Willow Slough structure. This will allow for more gravity drainage of adjacent canals and reduce the amount that DWR pumping plants are used. Additionally, the rebuilt fish ladder will reduce the migration delays of salmon and reduce the incidental take of stranded salmon. If this structure is not rebuilt, DWR and individual DWR employees could be found in violation of ESA and be held liable for the incidental take of stranded salmon.

Funds have been expended for engineering analyses, environmental compliance, and development of final contract documents. The environmental compliance team is evaluating the proposed construction sequence to determine what permits may be needed and determine the biological surveys that must accompany permit applications. Design is near 90% complete.



PUMP REHABILITATION

WBS #	DESCRIPTION	TOTAL AMOUNT
F.8300.FC07.121	PUMP REHAB MANAGEMENT	\$ 5,104.89
F.8300.FC07.122	PUMP REHAB DESIGN/ANALYSIS	\$ 10,402.00
F.8300.FC07.126	PUMP REHAB CONTRACT ADMIN	\$ 60,982.79
F.8300.FC07.127	CONTRACTOR PAYMENTS	\$ 693,928.45

The Sutter Maintenance Yard operates and maintains three pumping plants along the East levee of the Sutter Bypass. These pumping plants are used to pump agricultural return water and rainfall runoff into the Bypass so that the water can be safely moved through the flood control system. The nearby ditches drain water from as far away as Yuba City and the pumping of water into the Sutter bypass prevents localized flooding throughout Sutter County. Two of the pumping plants (Plant 1 and 3) have four electric motors and pumps and one plant (Plant 2) has six electric motors and pumps

These plants were put into service approximately 25 years ago. The motors and pumps are reaching the end of their normal life expectancy and the Sutter Maintenance Yard's staff noticed that the pumps have lost efficiency and the motors are running for longer periods of time. The Flood Maintenance Office

decided that all of the pumps and motors should be systematically removed and refurbished or replaced due to age and wear.

At the present time, all motors and pumps have been refurbished and put back into service. Currently, the project team is updating the pumps' Operating Manual and liquidating any remaining invoices. The project close out is expected to be completed by end of next quarter.

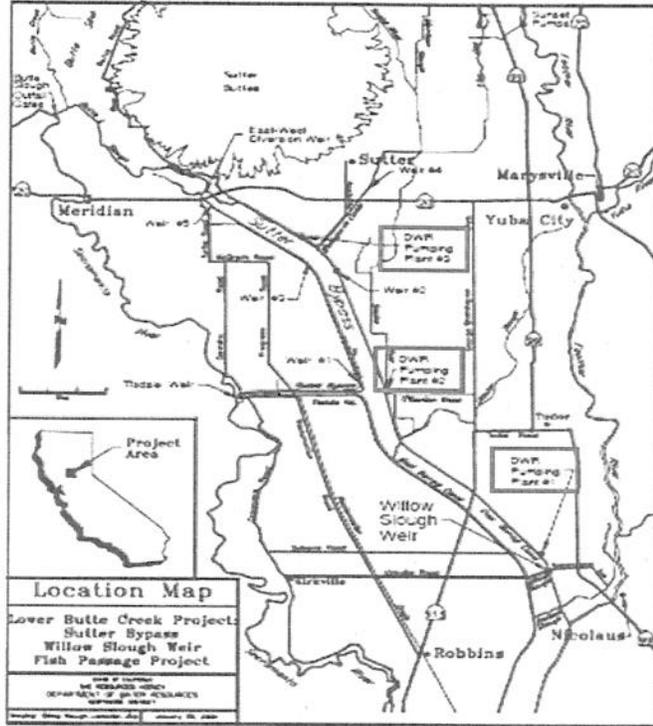


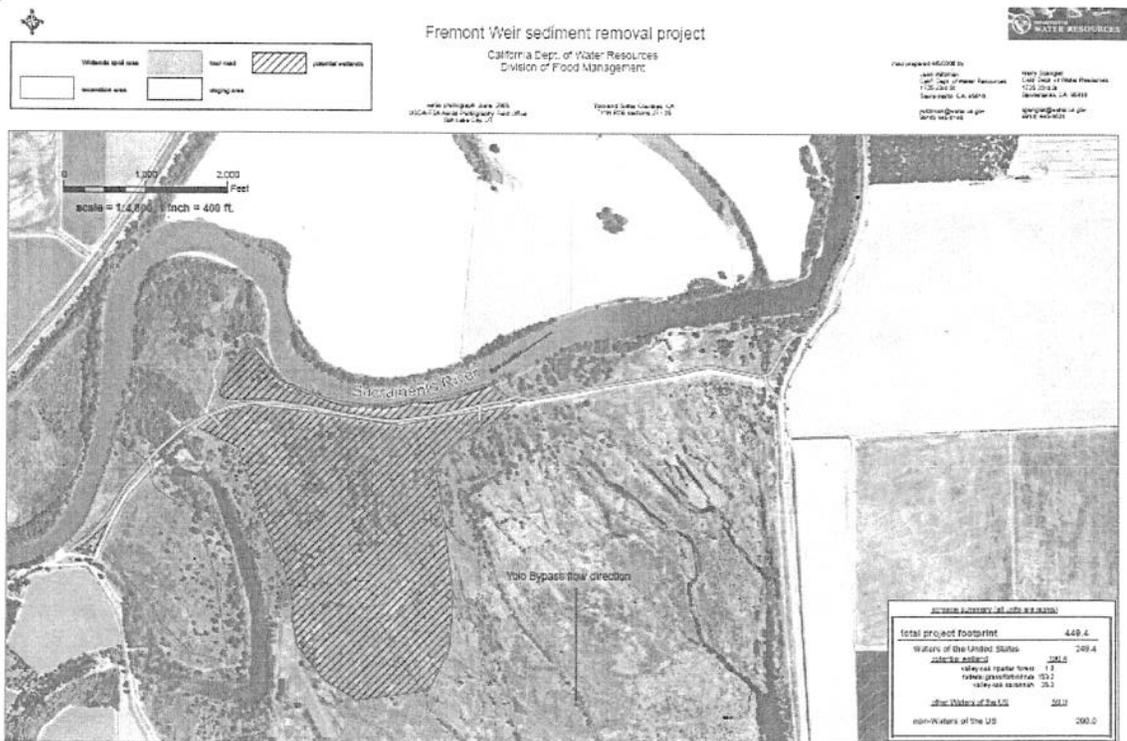
Figure 2. Location map

FREMONT WEIR

WBS #	DESCRIPTION	TOTAL AMOUNT
F.8300.FC07.136	FREMONT WEIR/CONTRACT Administration	\$ 1,966.90
F.8300.FC07.137	FREMONT WEIR/CONTRACTOR PAYMENT	\$ 2,206,936.16

The Department of Water Resources is obligated to operate and maintain the Fremont Weir at the northern end of the Yolo Bypass in accordance with California Water Code Section 8361. Sediment deposits in the Yolo Bypass reduce the flow capacity of the Weir and the efficiency of the flood control system by blocking water from entering the Bypass and forcing flows to remain in the Sacramento River. This results in higher flood stages in the Sacramento River. As a part of the maintenance of the Yolo Bypass, sediment removal contracts were awarded in 1986, 1987 and 1991. In 1986, 560,000 cubic yards of sediment were removed from the west end of Fremont Weir. In 1987, approximately 930,000 cubic yards were removed from the Yolo Bypass at the Fremont Weir. In 1991, an additional 1.9 million cubic yards were removed from the eastern side of Yolo Bypass at the Fremont Weir.

In order to fulfill DWR's maintenance responsibility, funds were expended to remove approximately 800,000 cubic yards of sediment from in front of and downstream of the Weir. In addition, two scour holes that were eroding back into the weir were filled in and the protective rock apron was restored.



FLOOD FLIGHT MATERIALS AND EQUIPMENT

Under the direction of Executive Order S-18-06 to improve emergency response capability, DWR purchased \$717,500 in flood fight materials and equipment. Supplies purchased with AB 142 funds include sandbags, plastic sheeting, twine, stakes, geotextile fabrics, and large polypropylene bags. These flood fight materials are important for improving DWR's emergency response capabilities in the event of a major flood, especially considering the number of critical damage sites in the Sacramento and San Joaquin Rivers Flood Control Systems identified in the 2005 levee survey.

In addition, DWR has experienced significant communications problems between the field and the Flood Operations Center during recent flood events. Therefore, DWR has purchased two emergency communications trailers with AB 142 funds. A total of \$217,000 has been expended to date for trailer shells and communications equipment, which will enhance cell phone communications and provide for two-way radio communications, facsimile transmission, and land-line connection capability.

APRIL 2006 FLOOD FIGHTING

In early April 2006, DWR's Division of Flood Management mobilized its flood fighting force due to forecasted warm storms that prompted high snow levels and increased releases from many reservoirs in Northern and Central California. DWR's initial Flood Fight estimate totaled \$8,983,000 with no flood emergency budget appropriation. Total actual expenses were less than estimated, at \$6,593,116. To offset the general fund deficiency associated with the April 2006 flood costs, the Department of Finance authorized the use of AB 142 funds in the amount of \$6,600,000.

An additional estimated \$4,870,000 is needed for acquisitions and environmental compliance for activities performed during the flood fights.

GRANTS FOR NON-PROJECT LEVEE REPAIRS AND EVALUATION

DWR has allocated \$50 million of AB 142 funds for grants to local flood control agencies. The proposed grant program financially assists local agencies in performing urgent levee repairs and geotechnical evaluations of existing local levees. The allocation was to be expended through competitive and directed grants to local agencies responsible for flood control at the project location and support program and contract administration by DWR as needed. However, due to the remainder of the AB 142 funds being withdrawn, DWR plans to utilize Proposition 84 funds to award competitive grants under this program.

Prior to switching to Proposition 84 funds, \$113,000 was expended, primarily for development of draft guidelines, applications, and other supporting documents for the grant program. The expended funds also include staff hours spent reviewing proposed projects and developing and negotiating agreements for emergency levee repairs in Yolo and Santa Barbara Counties (i.e., Cache Creek and Santa Maria River).

DWR has authorized \$112,000 in directed grants to Yolo and Santa Barbara Counties for the State's share of the projects along Cache Creek and Santa Maria River, respectively. The work on these projects is complete, and DWR and the grantees will be executing the grant agreements in October 2007. The required funds are committed, but not yet expended. The committed funds will be disbursed after execution of the grant agreements.

Two other projects eligible for directed grants are being developed by local agencies. These are permanent repairs of the erosion along Cache Creek in Yolo County and temporary repairs of erosion at the "J" levee protecting Hamilton City in Glenn County. These projects may be eligible for AB 142 funding. The State's 50 percent cost share for these two projects is estimated to be \$930,000 for Cache Creek permanent repairs and \$120,000 for "J" levee temporary repairs, if the work is performed this year and funded through grant agreements.

GRANTS FOR NON-PROJECT DELTA LEVEE REPAIRS

DWR allotted \$20,000,000 for critical levee repairs and evaluations to levee maintaining agencies that participate in the Delta Levee System Integrity Program. DWR has authorized two \$1 million grants for critical repairs identified on the RD 830, Jersey Island levees. Two critical levee sections on Jersey Island were identified in urgent need of repair along the San Joaquin River. Blind Point (levee station 540+00 to 590+00) and the Jersey Island Headquarters (levee station 450+00 to 500+00) both face stability problems and require rock work and rehabilitation of levee elevations. Two agreements for \$1 million each have been executed with Jersey Island to fund engineering, environmental permitting, geotechnical evaluations and construction and construction oversight. A total of \$1.8 million has been advanced to the district to initiate engineering and construction. Plans and specifications are complete and a contract was awarded for both the Blind Point and Headquarters projects. Construction on the Blind Point project is underway and scheduled for completion by the end of September. CEQA compliance will be complete on the Headquarters project by mid-September and construction is scheduled to be complete by November 1 of this year.

DELTA EMERGENCY RESPONSE AND PREPAREDNESS

DWR is developing an Emergency Operations Plan (EOP) specific to the Department's response role and strategies to a natural or human-caused failure of levees in the Sacramento-San Joaquin Delta. This plan will include descriptions of the individual actions DWR might presently use in its response to a levee failure event and address which organizational units within DWR that will be responsible for responding to this event. The EOP will be designed to address both large and small scale Delta levee failures and will undergo periodic updates as emergency response techniques and options change. DWR has completed an Interim EOP, entitled "Delta Emergency Operations Plan, Concept Paper", that will be presented to Delta stakeholder groups this fall in order to stimulate public input into the development of a formal EOP. Key participants from these stakeholder groups will be brought together to form a Delta EOP Advisory Group that will participate in the development of a formal EOP and make additional recommendations to enhance DWR's ability to respond to a Delta levee failure through use of current technology or management practices.

The Interim EOP made recommendations on several ways that DWR's current pre-event response capabilities could be enhanced within the next few years. DWR is proceeding with several of these recommendations, including designing new emergency response transfer/storage facilities in the Delta, designing channel barriers that could be used to help improve the quality of water in the Delta, designing typical levee breach closures for several different Delta regions, purchasing additional flood fight and levee repair materials, and pre-negotiating emergency response contracts. DWR's Division of Engineering will be securing rock, storage sites, and some conveyance equipment this fall. Further actions will be taken after further consultation with stakeholders.