

The Lower Cache Creek Flood Management Project will provide flood protection for the City of Woodland and the disadvantaged communities that are disproportionately impacted by the risk of flooding. This project has been technically reviewed and approved by the [USACE] and federally approved and authorized by US Congress. This bill will provide needed state approval and authorize the state to provide funding upon appropriation. Further, given the impacted community's disadvantaged status, this bill will increase the allowable state cost share for the project.

2) **Background.**

Cache Creek is Flood-Prone. According to the City of Woodland, Cache Creek, located north of the City of Woodland, carries water from Clear Lake into the Cache Creek Settling Basin and eventually into the Yolo Bypass. The Creek has a long history of flooding. The Creek has overtopped its banks and levees more than 20 times since 1900. This is primarily because the existing levees along Cache Creek provide only approximately a 10-year level of flood protection. This means the levees have a 10% chance of breaching in any given year. Most recently, the Cache Creek levees overtopped in February 2019. If not for flood fighting actions, portions of Woodland could have flooded.

The City of Woodland, CVFPB, DWR, and USACE completed the Lower Cache Creek Feasibility Study in 2021 to increase flood protection to Woodland and adjacent critical infrastructure. As a result, USACE has recommended a plan to construct six miles of new levees, levee embankment, seepage berms, drainage channels, cutoff walls, a weir, and closure structures across roads and railways.

Cost Share. Under state law, the state may participate in funding local flood control projects that are authorized by the Legislature and that meet specific criteria, including that the project qualifies for federal financial assistance and is authorized by Congress. Projects may be authorized pursuant to a USACE Chief Engineer's report, but cannot receive state funding until authorized by Congress. The \$366 million Project was authorized by Congress and signed by President Biden in 2022 as part of the Water Resources Development Act of 2022.

Typically, the federal government provides funding for 50% to 75% of a project's cost, and the local agency, as the entity participating in the project construction under agreement with the federal agency, is responsible for providing the nonfederal share of project costs. If the local agency complies with the Water Code and program guidelines, the state will reimburse the local entity for 50% to 70% of the nonfederal share (not to exceed specified limits.) The reimbursement rate is based on how effectively the project achieves multi-purpose objectives, as determined by DWR or CVFPB. DWR reports that few projects have trouble reaching the 70% cap, and many would exceed the cap if allowed to.

Notwithstanding the 70% cap for state cost share under current law, SB 496 (Laird), Chapter 310, Statutes of 2021, authorized DWR to pay up to 100% of specified nonfederal costs for reconstruction of the Pajaro River Flood Risk Management Project. This bill similarly authorizes the state to pay up to 99% of the nonfederal cost of the Project – approximately \$128 million. In its March 13, 2023, draft nonfederal cost share report, the City of Woodland contends the Project is eligible for an increase in state cost share of 10.7% because it

significantly increases flood protection for a disadvantaged community, an additional 10% increase because it would increase flood protection for segments of two state transportation facilities (State Route 113 and Interstate Highway 5), and an additional 28% increase due to benefits to open space, habitat, and recreation. According to the report, the Project would be eligible for a 44% increase in state cost share (for a total of 99%) if the 70% cap under existing law were not in place. The City of Woodland states:

Given the information provided in this report, the City requests the State cost share for the Lower Cache Creek Project be 99%. The City recognizes the Water Code caps the maximum state share at 70%. The City believes the Water Code has not kept pace with the Administration's goals for helping disadvantaged communities and incentivizing multi benefit projects that provide for resilience to climate change, preserve open space and create habitat and recreation opportunities. The City intends on pursuing legislation to support this cost share request.

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