



Update 2013

Integrated Water Management Finance Plan

Prepared for:
California Water Plan Plenary



October 26, 2011

Purpose of Today's Presentation

- **Provide brief overview**
- **Describe where we are**
- **Finance Caucus meeting teaser**

Definitions

- **Integrated Water Management Actions** – A collection of policies, practices and tools applied to water resources planning and management to achieve multiple objectives and enhanced outcomes.
- **Finance Caucus** – Water Plan topic-based public coordination venue comprised of subject experts and stakeholders for the purpose of discussing, drafting, reviewing and developing the Update 2013 Finance Plan – *Membership is currently closed but meetings are open to the public*

Update 2013 Finance Plan

Implementing Update 2009

“California needs a water finance plan with stable, continuous funding from an array of revenue sources... The finance plan should recognize the critical role of public-private partnerships and the principle of beneficiary pays; include alternative revenue sources; and guide investment decisions based on sustainability indicators”.

California Water Plan Update 2009

What to Expect from Update 2013 Finance Plan

OBJECTIVE:

Identify and prioritize critical State and local water supply, water quality, flood management and environmental stewardship actions; estimate their cost, and recommend innovative, stable, equitable and fiscally-responsible financial strategies and revenue sources

What to Expect from Update 2013 Finance Plan

PLANNED APPROACH:

Recommend State investment in, and finance strategies/methods for, IWM activities as deemed appropriate by Water Plan advisory groups

What to Expect from Update 2013 Finance Plan

PRACTICAL DECISION-SUPPORT:

- **Proper context (statewide integrated water management) required for effective State executive and legislative decision-support**
- **Increased implementability of actions and policies through improved governance and accountability**
- **Partial to substantial consensus on certain State investment recommendations (*planning horizon is roughly 2015 – 2050*)**
- **A well-vetted menu of potential revenue sources**

What to Expect from Update 2013 Finance Plan

PRACTICAL DECISION-SUPPORT:

- Identification of areas of uncertainty or conflict that need more work
- Contingency plan for a “funding-constrained” future
- Coordinated planning of various State funding needs and sources

Update 2013 Finance Plan

Where we are now

Challenges/Lessons Learned:

- **First attempt to build IWM finance plan (generally at tactical level) from a strategic plan (Water Plan)**
- **Lack of clear scope of IWM**
- **Different planning horizons**
- **Lack of common regional and State finance dialect**
(beyond existing bond programs)
- **Varying assumptions about future conditions**

Update 2013 Finance Plan

Where we are now

Challenges/Lessons Learned:

- Lack of common baseline (*from which to begin talking about future funding*)
- **Need to build trust in process, and among stakeholders**
- Existing /emerging State policy that affects water stakeholders
- **Desire that the State not invest in certain IWM activities**
- Conflicting beliefs and values

☐ Scope and Outcomes

Fundamental finance question:

How much are you willing and able to pay and how should it be paid for?

☐ Activities

Common responses:

☐ Existing Funding

What do you mean by “it”?

What benefits would I receive?

☐ Funding Sustainability

Who else is benefitting and how much are *they* paying?

Why should I believe you?

☐ State Role (including governance and accountability)

How much will it cost?

Will I get a good bargain?

☐ Future Costs

What if I don't pay anything for a very long time?

Who is currently paying for this?

☐ Funding Who's and Hows

What would I be paying for?

What is wrong with the way things are right now?

☐ Trade-offs

Who will be accountable?

Storyboard Components

- ❑ Scope and Outcomes
- ❑ Activities and Priorities
- ❑ Existing Funding
- ❑ Funding Sustainability
- ❑ State Role and Partnerships
- ❑ Future Costs
- ❑ Funding Whos and Hows
- ❑ Trade-offs

Update 2013 Finance Caucus Meeting



CALIFORNIA WATER PLAN, UPDATE 2013
FINANCE DESIGN TEAM MEETING
OCTOBER 26, 2011, 3:15 PM – 5:30 PM
Hilton Sacramento Arden West
 2200 Harvard St, Sacramento, California

Meeting Goals

1. Report on final draft of storyboard
2. Start process to define IWM benefits (used to define scope of Finance Plan)
3. Develop process for achieving component 2 of the storyboard

AGENDA

#	TIME	ITEM	PRESENTERS
1.	3:15 PM	WELCOME AND INTRODUCTIONS	Paul Massera, Department of Water Resources (DWR) Lisa Beutler, Executive Facilitator, MWH
2.	3:25	RECAP OF WORK TO DATE <ul style="list-style-type: none"> • <i>Where we've been</i> <ul style="list-style-type: none"> ○ <i>Storyboard revisions</i> ○ <i>Components 1 and 2</i> 	Paul Massera ALL
3.	3:40	IWM BENEFITS <ul style="list-style-type: none"> • <i>Review benefits identified at last meeting</i> • <i>Call for subcommittee on definitions</i> 	Megan Fidell, DWR ALL
4.	4:10	PROCESS FOR IDENTIFYING IWM ACTIVITIES <ul style="list-style-type: none"> • <i>Component 2 of Storyboard</i> 	Paul Massera ALL
5.	5:20	NEXT STEPS	
6.	5:30	ADJOURN TO RECEPTION AND INFORMAL DE-BRIEF	