



WATER PLAN UPDATE 2013

FINANCE PLANNING FRAMEWORK

Findings and Recommendations
DISCUSSION ITEMS

Water Plan Update 2013 will have Finance Findings and Recommendations regarding (Storyboard Component # shown in parentheses):

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|---|--|-----------------------------|
| 1. Scope of Integrated Water Management (1 & 2) | 4. Investment prioritization (5) | 7. Financing Strategies (7) |
| 2. Future role of State government (5) | 5. Apportioning costs (7) | 8. Other? |
| 3. Estimated future IWM costs (6) | 6. Oversight and administration of State IWM finance (7) | |
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The plan will be used for deliberations about State investments in water as well as used to consider the ways in which this should be funded. The plan will consider the role of all levels of government and the private sector but recommendations will primarily focus on the State's role in water management. It is expected the plan will be used in consideration of potential legislation and bond measures, used for driving grant criteria, and provide guidance for budget priorities.

Given the comments provided earlier (in this session and others) about principles for investment and the State role, what types of findings and recommendations do you believe need to be considered for the Plan to be credible?

For the section on Context and Premise: These are the statements of the basic assumptions related to the topic. For example, a premise might be “given normal inflation, things will be more expensive in the future.” Premises should be related to topics that require a common understanding of a particular perspective in order to fully understanding an associated recommendation or the reasoning needed to properly consider a topic. Sample entries are provided based on conversations with stakeholders and the key messages taken from the History of Resource Management Funding materials.

For the section on Recommendation Categories: We are not looking for specific recommendations you would like to make. For example we are not asking for recommendations on what particular piece of infrastructure the state should or should not invest in. However, we are looking for categories of recommendations the plan must address such as the topic of aging infrastructure (or storage, or sustainability, etc.). We are looking for your priorities in this area so we can plan for future, focused discussions with sufficient background materials for a well informed discussion. We expect this will be controversial and don't expect to resolve any of this today. We just want to know what people think needs to be on the table for discussion.

#	Plan Topic	Context and Premise	Recommendation Category
1.	Scope of Integrated Water Management	- IWM benefits, definitions and stakeholder resource-dependent values	
2.	Future role of State government		
3.	Estimated future IWM costs	<p>Note: DWR's IRWM Plan data pull will summarize expected future costs for regional activities; State companion plans and State Agency Steering Committee will prepare estimate of future State government IWM activities</p>	

#	Plan Topic	Context and Premise	Recommendation Category
4.	Investment prioritization		
5.	Apportioning costs	<ul style="list-style-type: none"> - Local investment was, and remains, the primary source of funding for water supply - Federal investment has historically been the primary source of funding for flood management. - Federal investment is shrinking relative to State and local investment - There are two basic sources of funding: taxes and fees - For any given year, there were essentially two funding strategies: (1) cash on hand; and (2) borrowing 	

#	Plan Topic	Context and Premise	Recommendation Category
6.	Oversight and administration of State IWM finance	<ul style="list-style-type: none"> - Very little of the total State IWM funding allows discretion or flexibility (e.g. Bond and legislative language designates funding purposes) 	
7.	Financing Strategies	<ul style="list-style-type: none"> - Currently authorized G.O. bonds and federal funding comprised 2/3 of total IWM State spending in fiscal year 2011/2012. - Current G.O. bonds will be fully allocated by the year 2018 - Water management is being integrated, but water management funding remains fragmented - limiting opportunities for further integration - Total State annual IWM G.O. bond debt service is at an all time high at \$75 per household 	

Other: As time permits, based on the earlier discussion, use the following to list other topics you think must be considered in the Finance Plan.

#	Plan Topic	Context and Premise	Recommendation Category
8.			