

Agenda Item: 8
Meeting Date: July 8, 2004

CALIFORNIA BAY-DELTA PUBLIC ADVISORY COMMITTEE

10-YEAR FINANCE PLAN

Summary: Authority staff will provide a review of the 10-Year Finance Plan and Process.

Recommended Action: This is an informational item only. No action will be taken.

Background

The Authority, with the recommendation and support of the Bay-Delta Public Advisory Committee (BDPAC), has directed staff to develop a specific 10-Year Finance Plan for the CALFED Bay-Delta Program. Authority staff, relying on the foundational information in the Draft Finance Options Report, and extensive stakeholder and agency input over the next few months, intends to present a final 10-Year Finance Plan to the Authority at its October meeting.

The 10-Year Plan will include each of the following for each program element:

- Reasonable funding targets
- Available funding to meet the targets
- Unmet Needs/Funding gaps
- Finance Strategy --finance tools and funding levels to fill the gaps

Attachment 1 is a summary table showing initial funding targets, available funding, and unmet needs for all program elements. Through BDPAC subcommittees and focused stakeholder outreach, Authority staff is soliciting input on these numbers. Additional detail supporting the summary table is available upon request.

At the BDPAC meeting, in addition to discussing the information in Attachment 1, staff will provide information about preliminary funding strategies which is summarized below. A key part of developing a finance plan is to identify the beneficiaries and primary finance tools for each program or projects before discussing specific funding levels.

- *Surface Storage Planning*—Relies primarily on public funds but may need other funding if beneficiaries are willing to pay.
- *Surface Storage Construction* – Financing will be negotiated project by project and cost sharing agreements developed. No specific allocations will be proposed in this version of the Finance Plan because it is premature.
- *Groundwater Storage* – The grant program will be primarily locally funded through cost sharing grants. Public funds would be provided for broader statewide benefits.
- *Conveyance* – Financing will be from South of Delta CVP and SWP contractors and public funds. Existing bond funds are available but primarily limited to South Delta projects.
- *Water Use Efficiency* -- The grant program will be primarily locally funded through cost sharing grants. Public funds would be provided for broader statewide benefits.
- *Drinking Water Quality* – Financing will primarily be a mixture of public funding for research and broad public benefits and local cost shares. There is also the possibility of a water user fee.
- *Delta Levees* – Financing will include public (state and federal) funding, local cost shares, and possibly new water user and boater fees
- *Ecosystem Restoration* – Financing will include public funding (state and federal) possibly a new water user fee, CVP Restoration Funds, and local cost shares.
- *Environmental Water Account* -- Financing will include both public (state/federal) funding and water user funding (possibly from a new water user fee).
- *Watershed* -- Financing will include public funding, local costs shares and possibly revenue from a water user fee.
- *Science* – Financing will include public funding and possibly an allocation from a mixture of funding sources that support all the program elements.
- *Oversight and Coordination* – Financing will be from public funding (state and federal).

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List of Attachments

Attachment 1 – 10-Year Funding Targets and Unmet Needs

Contact

Kate Williams Hansel
Assistant Director for Finance and Policy

Phone: (916) 445-0143

CALFED Bay-Delta Program											
10-Year Funding Targets and Unmet Needs											
(\$ in millions)											
May 21, 2004											
Program Element / Years	Funding Targets		Available Funding							Unmet Needs	
	2002 Dollars	Adjusted for Inflation	State		Federal	Water User		Local	Total Avail.	Total Unmet	Avg. Annual
			GF	Bonds	Approps.	SWP	CVPIA RF				
Ecosystem Restoration	\$1,500.0	\$1,844.6	\$9.5	\$142.6	\$0.6	\$73.3	\$335.5	\$150.0	\$711.5	\$1,133.1	
Years 5-9	\$750.0	\$859.1	\$4.7	\$142.6	\$0.6	\$36.7	\$160.5	\$75.0	\$420.1	\$439.1	\$87.8
Years 10-14	\$750.0	\$985.4	\$4.7	\$0.0	\$0.0	\$36.7	\$175.0	\$75.0	\$291.4	\$694.0	\$138.8
Annual	\$150.0										
Environmental Water Account	\$325.5	\$394.4	\$0.0	\$100.0	\$8.0	\$0.0	\$0.0	\$0.0	\$108.0	\$286.4	
Years 5-9	\$175.5	\$197.3		\$100.0	\$8.0				\$108.0	\$89.3	\$17.9
Years 10-14	\$150.0	\$197.1		\$0.0	\$0.0				\$0.0	\$197.1	\$39.4
Annual	\$30.0										
Water Use Efficiency	\$1,776.6	\$2,162.5	\$14.0	\$179.2	\$12.4	\$0.0	\$0.0	\$1,142.6	\$1,348.2	\$814.3	
Years 5-9	\$936.6	\$1,058.8	\$7.0	\$170.7	\$12.4			\$440.9	\$631.0	\$427.8	\$85.6
Years 10-14	\$840.0	\$1,103.7	\$7.0	\$8.5	\$0.0			\$701.7	\$717.2	\$386.5	\$77.3
Annual	\$168.0										
Water Transfers	\$6.0	\$6.0	\$4.6	\$1.4	\$0.0	\$0.0	\$0.0	\$0.0	\$6.0	\$0.0	
Years 5-9	\$3.0	\$3.0	\$2.3	\$0.7					\$3.0	\$0.0	\$0.0
Years 10-14	\$3.0	\$3.0	\$2.3	\$0.7					\$3.0	\$0.0	\$0.0
Annual	\$0.6										
Watershed	\$100.0	\$123.0	\$1.0	\$38.3	\$0.0	\$0.0	\$0.0	\$12.3	\$51.6	\$71.4	
Years 5-9	\$50.0	\$57.3	\$0.5	\$38.3	\$0.0			\$5.7	\$44.5	\$12.8	\$2.6
Years 10-14	\$50.0	\$65.7	\$0.5	\$0.0	\$0.0			\$6.6	\$7.1	\$58.6	\$11.7
Annual	\$10.0										
Drinking Water Quality	\$215.0	\$264.4	\$2.5	\$2.0	\$0.0	\$0.0	\$0.0	\$0.0	\$4.5	\$259.9	
Years 5-9	\$107.5	\$123.1	\$1.3	\$2.0	\$0.0				\$3.3	\$119.9	\$24.0
Years 10-14	\$107.5	\$141.2	\$1.3	\$0.0	\$0.0				\$1.3	\$140.0	\$28.0
Annual	\$21.3										
Levees	\$404.8	\$500.3	\$0.0	\$40.5	\$0.2	\$0.0	\$0.0	\$69.0	\$109.7	\$390.6	
Years 5-9	\$193.8	\$223.1	\$0.0	\$40.5	\$0.2			\$34.5	\$75.2	\$147.9	\$29.6
Years 10-14	\$211.0	\$277.2	\$0.0	\$0.0	\$0.0			\$34.5	\$34.5	\$242.7	\$48.5
Annual	\$42.2										
Storage *	\$905.1	\$1,062.5	\$2.7	\$139.0	\$2.5	\$0.0	\$0.0	\$835.5	\$979.7	\$82.8	
Years 5-9	\$628.7	\$699.9	\$1.4	\$139.0	\$2.5			\$507.1	\$649.9	\$50.0	\$10.0
Years 10-14	\$276.4	\$362.7	\$1.4	\$0.0	\$0.0			\$328.5	\$329.8	\$32.8	\$6.6
Annual	\$55.3										
Conveyance	\$299.7	\$345.4	\$8.5	\$104.9	\$14.3	\$52.0	\$0.0	\$0.0	\$179.6	\$165.8	
Years 5-9	\$255.6	\$289.3	\$4.3	\$93.7	\$14.3	\$52.0			\$164.2	\$125.2	\$25.0
Years 10-14	\$44.2	\$56.1	\$4.3	\$11.2	\$0.0	\$0.0			\$15.5	\$40.6	\$8.1
Annual	\$30.0										
Science	\$300.0	\$368.9	\$0.0	\$22.5	\$0.0	\$0.0	\$0.0	\$0.0	\$22.5	\$346.4	
Years 5-9	\$150.0	\$171.8		\$22.5	\$0.0				\$22.5	\$149.3	\$29.9
Years 10-14	\$150.0	\$197.1		\$0.0	\$0.0				\$0.0	\$197.1	\$39.4
Annual	\$30.0										
Oversight & Coordination	\$100.0	\$123.0	\$72.1	\$0.0	\$1.5	\$0.0	\$0.0	\$0.0	\$73.6	\$49.4	
Years 5-9	\$50.0	\$57.3	\$36.1		\$1.5				\$37.6	\$19.7	\$3.9
Years 10-14	\$50.0	\$65.7	\$36.0		\$0.0				\$36.0	\$29.7	\$5.9
Annual	\$10.0										
Total	\$5,932.7	\$7,195.0	\$114.8	\$770.4	\$39.5	\$125.3	\$335.5	\$2,209.5	\$3,595.0	\$3,600.1	
Years 5-9	\$3,300.7	\$3,740.1	\$57.4	\$750.0	\$39.5	\$88.7	\$160.5	\$1,063.2	\$2,159	\$1,581	\$316
Years 10-14	\$2,632.0	\$3,454.9	\$57.4	\$20.4	\$0.0	\$36.7	\$175.0	\$1,146.2	\$1,436	\$2,019	\$404
Annual	\$547.4										

* Includes funding for all surface storage projects through permitting. Funding for construction will be determined through future agreements.

