Agenda Item 9

Criteria For Prioritizing Work and Funding for Surface Storage Programs
Problem Statement

• Insufficient funding committed to complete planning on all five projects
• Need additional input from potential project participants to focus planning
• Must prioritize work to maximize value of available funding
Complicating Issues

• Five projects are on different schedules
  – Different work completed/remaining
  – Need to apply common assumptions

• Federal/State funding

• Federal Authorization – In-Delta Storage

• Public Resources Code – Shasta
Preliminary Proposal

• First priority (applicable to all projects)
  – Develop common assumptions
  – Update operations studies
  – Enhance economic analyses methodology

• Second priority
  – Determine criteria & process to determine how to invest remaining funding
Alternative Approaches to Investing Remaining Funding

1. Across the board cuts to all 5 projects
2. Focus planning on specific benefits, not specific projects
3. Fund planning for projects with most interest from potential participants
Alternative Approaches

1. Across the Board Cuts to All 5 Projects

Pros

• Simplest to implement and requires little evaluation before a decision is made.
• Equitable.

Cons

• Does not assure that funding is available to complete necessary planning for any of the five projects.
• Does not encourage engagement of project participants.
Alternative Approaches

2. Focus planning on specific benefits, not specific projects

Pros

• Provide more information on most efficient means of achieving specific benefits.
• Equitable.

Cons

• Does not assure that funding is available to complete necessary planning for any of the five projects.
• May be difficult to engage project participants.
• Discounts risks and uncertainties associated with specific projects.
3. Fund planning for projects with most interest from potential participants

Pros
• More assurance that planning will be completed for at least a subset of the five projects.
• Encourages engagement of project participants.

Cons
• Most concern regarding equitability.
• Some project planning limited by federal authorization, legal impediments.
Refined Preliminary Proposal

• First priority (applicable to all projects)
  – Develop common assumptions
  – Update operations studies
  – Enhance economic analyses methodology

• Second priority
  – DWR & Reclamation to call for meetings of potential project participants
  – Use response to develop planning partnerships and plan for prioritizing investments
Comments & Questions

• Participate in the June 23, 2004 BDPAC Water Supply Subcommittee Meeting

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