(1) Why is the Integrated Water Management (IWM) Finance Plan being prepared as part of Water Plan Update 2013? Many policy-makers and stakeholders have expressed a need for a first-of-its-kind statewide, comprehensive Integrated Water Management Finance Plan to help guide State funding decisions about generating and allocating state funds for effective resource management. The IWM Finance Plan will build from the water management planning, policy and action recommendations in the broader Water Plan Update 2013.

(2) Will the IWM Finance Plan appropriate funding, become statute or otherwise be directly implemented? No. The Water Plan and its related components is a decision-support document, not decision-making. Implementation of recommendations outside the scope of DWR authority will require legislative, executive and/or voter action to implement.

(3) What types of actions or policies are included in the Integrated Water Management Finance Plan? Integrated water management encompasses a broad spectrum of resource management interests and multi-objective solution packages. For the purpose and scope of this report, IWM planning considerations, actions and policies will comprehensively address water supply, water quality, flood management, and ecosystem values and services.

(4) How does this Finance Plan interface with other state plans and programs such as BDCP, Delta Plan or other related initiatives? The IWM Finance Plan will wrap around other, more specific state IWM-related plans by: (1) presenting, in one place, state funding requirements for the various programs/initiatives; (2) coordinating and integrating finance strategies where practical; (3) proposing criteria for prioritizing state funding; (4) recommending revenue sources for the respective plans and proposals; and (5) recommending state governance and accountability improvements.

(5) How will this Plan be used? Potential uses of the IWM Finance Plan include: (1) informing future general obligation bonds; (2) guiding future legislation pertaining to finance planning, funding sources, priorities and governance; (3) effective implementation of future state financial assistance; and (4) articulating recommended policy regarding State financial support of resource management planning and implementation.

(6) How does the IWM Finance Plan distinguish between state and local funding sources and needs? The Update 2013 IWM Finance Plan will focus on identifying appropriate types, amounts and sources of funding necessary to meet resource management objectives expressed at the state-level through plans such as Water plan Update 2013. The concept of local financial assistance will be explored for potential inclusion in the IWM Finance Plan, but this topic must be informed by regional and local stakeholder and water manager input. This plan will not include recommendations pertaining to local IWM costs and funding strategies.

(7) What are some key challenges facing IWM Finance in the future? Most state and local resource managers agree that many finance challenges are arriving simultaneously: (1) existing bond funds will soon be fully allocated; (2) state general and other funds are not nearly adequate for funding long term water management actions or polices; (3) most of the state’s
infrastructure is nearing or exceeding its design life; (4) much of the state’s infrastructure maintenance has been deferred for up to an entire generation; (5) many ecosystems are in a state of decline; and (6) other pressures such a population growth or climate change are expected to exacerbate the challenges.

(8) **Will this be developed in a black box?** Absolutely not. DWR and the Water Plan State Agency Steering Committee will use a very inclusive process involving many different groups of stakeholders. Outreach and coordination will be conducted through many existing Water Plan; all of which are public meetings.

(9) **Is the primary objective of this effort to create new taxes or fees for existing or new state programs (e.g. replacing general fund cuts)?** No. The scope is much broader and will identify ALL of the ingredients necessary to achieve desired resource management benefits such as improvement to state governance, effective planning, increasing efficiencies and innovations, assurances that funding will be used for its intended purposes, etc. This broad approach may or may not result in recommendations for new taxes or fees. That said; see response to question #3 for additional context.