Update 2013
Integrated Water Management Finance Plan

Prepared for:
California Water Plan Finance Caucus

December 12, 2011
Purpose of Today’s Meeting

• Where we have been

• Review second draft of IWM Benefit Definitions

• Introduce and test IWM investment package development instrument/template

• Introduce and discuss vision for a decision support system for State IWM funding decisions
Update 2013 Finance Plan
Where we have been

• Prepared final draft storyboard

• Developed draft IWM benefit definitions (Component 1)
  (plus necessary context and specificity for use in Update 2013 Finance Plan)

• Discussed conceptual approach for identifying State and regional IWM activities using future scenarios (Component 2)
Storyboard

- Prepared final draft based on input from October Caucus meeting

  - “Final” storyboard will not be prepared

  - Utilize storyboard as a guiding template for agreed upon content and flow of information (i.e. story)
    - Ensure that finance plan framework follows the scope and speaks to each component
Update 2013 Finance Plan

Review Draft IWM Benefit Definitions
Draft IWM Benefit Definitions (Component 1)

Today’s Goal: “Good enough for now” determination from the Finance Caucus

Definition of “good enough for now”:

1.) Can be used as a screening tool for determining which types of IWM activities are within the scope of the Update 2013 Finance Plan;

2.) Can be a basis for forming resource management objectives (see Resource-Dependant Values column) to guide IWM activity selection;

3.) Can be a basis for developing reporting metrics for future comparative analysis (Component 5 of Storyboard)
Draft IWM Benefit Definitions
(Component 1)

• Definitions will not be finalized for at least 12 months

• **Standard of Review:**
  • Clarity
  • Shelf life
  • Consistent
  • Intended Use
  • Rational basis
  • Data Nexus
• **Proposed Benefit Types** - Developed by the Finance Caucus and represent the scope and outcomes of the Finance Plan as described in Component 1 of the Storyboard.
Resource-Dependant Values: A expression of the fundamental matters that stakeholders advocate for, rely upon or otherwise care about. The values do not include activities (policies or actions), rather they represent the desired tangible and intangible beneficiary of an activity (e.g. fishery habitat, water-dependant economic activity, etc).
• **Examples of Specific Benefits:**
  
  • **Provide context for the definitions**
  
  • **Allow stakeholders to register more specific matters of importance as a basis for developing Resource Management Objectives and/or Reporting metrics as part of Component 2 (Identifying IWM Activities) and Component 8 (Describing trade-offs of various potential activities) of the Storyboard.**
Update 2013 Finance Plan
Recap of Recent Work

Conceptual Process for Identifying IWM Activities

COMPONENT 2 — IWM ACTIVITIES

What IWM activities must occur to generate targeted benefits?
Identifying IWM Activities
Recap of Recent Work

Process for Recommending State Investment in Integrated Water Management (IWM) Activities
Figure 1

- Identify State Government IWM Activities
  See Figure 2

- Identify Regional IWM Activities
  See Figure 3

- Update 2013 Investment Recommendations
  For State-administered activities and State investment in local assistance
  See Figure 4
Identifying IWM Activities
Recap of Recent Work

Figure 4 - Update 2013 Investment Recommendations Process
(State-Administered Activities; including Local Assistance)
Flowchart for Component 2 of the Finance Storyboard

UPDATE 2013 INVESTMENT RECOMMENDATIONS

- Final State Activity Investment packages
- Estimated Costs
- Benefit Types and Magnitudes
- Articulation of Assumptions, Estimates, Objectives, Uncertainties and Risk

Note: This information, when combined with current and future funding levels and sustainability (Components 3 and 4 of the finance storyboard) will inform recommendations regarding mechanisms and the distribution of costs among stakeholders (Component 7 of the finance storyboard).
Identifying IWM Activities
Recap of Recent Work

Figure 2 - State Government Activities
Flowchart for Component 2 of the Finance Plan Storyboard
Identifying IWM Activities
Recap of Recent Work

Figure 3 - Regions’ Integrated Regional Water Management Activities
Flowchart for Component 2 of the Finance Plan Storyboard
Update 2013 Finance Plan

Instrument for Developing
State and Regional IWM Investment Packages
Update 2013 Finance Plan
IWM Investment Package Template

• **General Purpose:** To compile and represent information required to form IWM investment packages

• **Functional Purpose:** To inform Update 2013 funding recommendations by:
  
  • Observing emerging patterns of common activities/geographical areas among the various investment packages (which include local assistance) for guidance in recommending where, and what magnitude, future State IWM funding be directed.

  • Identifying consistency between the IWM benefits (type and magnitude) defined for the Update 2013 Finance Plan and anticipated benefits from IRWM activities
The instrument/template will NOT:

- Grade IRWM or State government plans/projects
- Yield a comparative ranking
- Optimize response packages (e.g. cost effectiveness, specific benefits, etc)
- Verify or validate assumptions or estimates
Update 2013 Finance Plan
IWM Investment Package Template

- **Process:** Begin engaging Finance Caucus, Public AC, Tribal AC, other caucuses and combinations thereof in Spring of 2012

- **Content:**
  - Information Base
  - Scenario Assumptions
  - Resource Management Objectives
  - Response Package
  - Investment Package
Update 2013 Finance Plan
IWM Investment Package Template

1. Questions for clarification

2. Group exercise - Testing the instrument