Update 2013
Integrated Water Management Finance Plan

Prepared for:
California Water Plan Finance Caucus

October 26, 2011
Purpose of Today’s Meeting

- Where we have been
- Review final draft of storyboard
- Begin developing IWM benefit definitions
- Develop common understanding of approach for identifying IWM activities (Component 2)
Update 2013 Finance Plan

Recap of Work To Date

Agenda Item 2
Update 2013 Finance Plan
Where we have been

- Coalesced around draft storyboard (with minor revisions to be presented today)
  - Useful blueprint for content
  - Logical flow of information
- Identified IWM benefits as an expression of the scope of the Finance Plan
- Developed categories of IWM activities to be included in the Finance Plan
Storyboard Components

- Scope and Outcomes
- Activities
- Existing Funding
- Funding Sustainability
- State Role and Partnerships
- Future Costs
- Funding Whos and Hows
- Trade-offs
Storyboard – What has changed?

• Recasted “Steps” as “Components”

• Added paragraph describing assumptions about ability and willingness to pay for future activities

• Documented work from last Caucus meeting
  • Benefits
  • Activity Categories

• Rephrased Component 8
Storyboard – Next steps

- Prepare final draft based on input from this 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
Proposed Scope of IWM Finance Plan
Types of Benefits – Component 1

- Drought Preparedness
- Energy Benefits
- Water Quality
- Water Supply and Supply Reliability
- Flood Impact Reduction
- Food Security
- Operational Flexibility
- Recreation
- Groundwater Overdraft Reduction
- Climate Change Risk Reduction
- Environmental
- Fire Risk Reduction
- Affordability
Categories of IWM Activities Required to Generate Integrated Water Management Benefits
Component 2

- Governance
- Planning and public process improvements
- Information Tech / data & tools
- Water Technology R&D

- Local
- GW Basin
- Watershed
- Regional
- Inter-regional
- State
- Inter-state
- International
- Tribal
Linkages Between Benefits and Resource Management Tools
Component 1 & 2

Institutional and Administrative Tool #1

Institutional and Administrative Tool #2

Institutional and Administrative Tool #3

RMS #1

RMS #2

RMS #3

BENEFITS
Update 2013 Finance Plan

Benefit Definitions

Agenda Item 3
Defining IWM Benefits

- Sets boundaries on what activities the Finance Plan will fund. Not an open-ended wishlist.
- If an activity leads to IWM benefit, it can be included in the Finance Plan
  - Building a water treatment plant leads to Water Quality
    YES!
  - Adult literacy doesn’t match to an IWM benefit
    NO!
Potential IWM Benefits – where they came from

- Started with the headers of the 2009 Update RMS tables.

- State Agency Steering Committee added a couple.

- The Finance Caucus brainstormed additional benefits.
Mindmap of Potential IWM Benefits
Potential IWM Benefits

- Reduce Climate Change Impacts
- Fire Risk Reduction
- Water Supply and Supply Reliability
- Drought Preparedness
- Energy Benefits
- Flood Impact Reduction
- Environmental Benefits
- Affordability

- Food Security
- Groundwater Overdraft Reduction
- Public Health
- Water Dependent Recreational Opportunity
- Operational Flexibility and Efficiency
- Water Quality
- Waste Water
Definitions SubCommittee, Activate!

- Meet in November
- Refine brainstorming/mindmap
- Define each IWM Benefit in a way that includes and excludes eligible activities
- Thank you very much.
Update 2013 Finance Plan

Process for Identifying IWM Activities

Agenda Item 4
Implementing Component 2
Identifying IWM Activities

COMPONENT 2 — IWM ACTIVITIES

What IWM activities must occur to generate targeted benefits?
Identifying IWM Activities
Implementing Component 2

Process Flowcharts

1) Process for Recommending State Investment in IWM Activities
2) State Government Activities
3) Regional IRWM Activities
4) Update 2013 Investment Recommendations

Supporting Narrative

Process for Indentifying State and Regional IWM Activities
Identifying IWM Activities
Figure 1

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

Figure 2 - State Government Activities
Flowchart for Component 2 of the Finance Plan Storyboard

INFORMATION BASE
- Ca Water Plan
- State Companion Plans, Policies and Regulations
- State Agency Steering Committee

SPECIFY SCENARIO ASSUMPTIONS
- Future Funding Levels
- Planning Horizon
- Hydrology

SPECIFY RESOURCE MANAGEMENT OBJECTIVES
- Finance Caucus and Steering Committee
- Develop Resource Management Objectives

STATEWIDE AGGREGATION OF TOTAL STATE GOVERNMENT IWM INVESTMENT

SPECIFY RESPONSE PACKAGE
- Innovation
- Infrastructure (Natural and Human)
- RMS Tools

COSTS
- Capital
- O&M
- Other

BENEFIT TYPES AND MAGNITUDES

STATE INVESTMENT PACKAGE 1 (SIP1)

Adequate Range of Scenarios?
Yes → Go to Recommendations Process
No

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Identifying IWM Activities

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

INFORMATION BASE
- IRWM Plans
- IRWM PSPs
- IRWM Group Surveys
- Regional Forums
- Finance Census

STATEWIDE AGGREGATION OF TOTAL STATE GOVERNMENT IWM INVESTMENT

SPECIFY SCENARIO ASSUMPTIONS
- Future Funding Levels
- Planning Horizon
- Hydrology

SPECIFY RESOURCE MANAGEMENT OBJECTIVES

IRWM Resource Management Objectives

COMPRISERESONSPAGE

- Innovation
- Infrastructure (Natural and Human)
- RMS Tools

REGION 1 INVESTMENT PACKAGE 1 (RIPI-1)

Adequate Range of Scenarios?

Yes
Go to Recommendations Process

No

COSTS
- Capital
- O&M
- Other

BENEFIT TYPES AND MAGNITUDES

2

1

2
Identifying IWM Activities

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

Figure 5

Sample Output for Alternative State Investment Packages for Deliberative Purposes
Identifying IWM Activities

Figure 6

Sample Output for State Government Investment Recommendations
1. What should we add to make this approach more useful for developing Update 2013 funding recommendations? (e.g. additional base information sources, flowchart steps, output reporting metrics, etc)
Update 2013 Finance Plan

Next Steps

- Begin compiling Information Base
  - IRWM group coordination
  - State Agency Steering Committee

- Develop tool for capturing and linking assumptions, objectives, data and outputs

- Test tool with sample IRWM Plan and State Agency Steering Committee activity information

- Begin forming response packages

- Develop approaches for implementing other components