



BDCP
BAY DELTA CONSERVATION PLAN

Meeting: Finance Committee
Location: 1121 L Street, #900 Conference Room, Sacramento, CA
Date: November 22, 2011
Time: 1:00 p.m.

Attendees:

	Name	Affiliation
1.	Barry Nelson	NRDC
2.	Bob Mannebach	Jacobs Engineering
3.	Brett Baker	Restore the Delta
4.	Charles Gardner*	Delta Vision Foundation
5.	Cindy Paulson	CUWA
6.	Craig Muehlberg	USBR
7.	Desiree Castello for Brice Bledsoe	CCWD
8.	Dave Eggerton	El Dorado County Water Agency
9.	David Guy	NCWA
10.	Dean Ruiz	CDWA/SDWA
11.	Dennis Cushman	San Diego County Water Authority
12.	Don Gilbert	Edelstein, Gilbert, Robson & Smith
13.	Don Thomas*	Sacramento County DWR
14.	Doug Wallace*	EBMUD
15.	Elena Reyes*	San Joaquin County
16.	Jerry Meral	Resources
17.	Joan Maher	SCVWD
18.	John Woodling	Regional Water Authority
19.	John Yue*	Zone 7
20.	Kathy Barnes-Jones*	Solano County
21.	Larry Roth	Consulting Engineer
22.	Laura King Moon	SWC
23.	Linda Dorn	SRCS
24.	Lisa Voight	SRCS
25.	Marc Ebbin*	Ebbin, Moser & Skaggs
26.	Melinda Terry*	NDWA
27.	Michelle Osborn	ICF
28.	Peter Stone	Delta Homeowner
29.	Richard Roos-Collins*	Water and Power Law
30.	Spreck Rosekrans	EDF
31.	Steve Arakawa	MWD
32.	Steve Ottemoeller	Friant Water Agency
33.	Thad Bettner*	GCID

*Participated by phone

Dr. Jerry Meral welcomed meeting participants and meeting participants introduced themselves.

Presentations

Mark Ebbin gave a presentation regarding background info on what the ESA and NCCP Acts require by way of funding, what needs to be demonstrated by funding, what chapter 8 of the BDCP finance chapter will need to contain, etc. Mark gave the following suggestions:

- Focus on sources of funding that are out there and that can be relied upon and do a thorough analysis of what those are.
- Do a thorough analysis of the costs of the BDCP and the obligations and the sources to fulfill those obligations.
- Who is going to pay for what
 - Involving the participation of the permittees vs. the society at large.
 - Among permittees or those who will benefit, the allocations of funding will need to be described at some level of detail.
- There needs to be some discussion of how short falls may be made up and what kind of contingency sources of funding would be available to deal with the shortfalls.

There was clarification as to what information will be in the Conservation Plan vs. the EIR. The funding chapter in the Conservation Plan will be focused entirely on describing only how the implementation of the plan will be paid for. Emphasis will be on meeting the provisions of the ESA and NCCP Acts that are focused on adequacy of funding. The EIR – will clarify mitigation obligations, local assessments, 3rd party impacts, etc.

Cindy Paulson from California Urban Water Agencies (CUWA) gave a presentation regarding their white paper they published in October 2011 on public finance/investment. The white Paper can be found at http://www.cuwa.org/pubs/PI_White_Paper_10_%20final.pdf. This white paper aims to inform the discussion on public financing options for water and to develop a conceptual framework that explores the distinctions between the various options. Specifically, the paper addresses three objectives:

- Establish a common understanding of frequently used terms

- Analyze the conceptual basis for user fees and present CUWA's concerns with a public goods charge (PGC) for water as described by various parties
- Advance the beneficiary pays approach as a statewide financing mechanism for consideration

Funding Sources

The Committee engaged in a continued conversation from the last meeting about a variety of potential funding sources for habitat restoration activities. They included:

Water Bond

A vote on the water bond has been put off until the November 2012 election. In general polling on the issue has not been encouraging for advocates, and there is some concern that the funding provided by the bond may not be forthcoming. The group discussed the possibility of revising the existing bond to make it more focused or for a smaller amount of money. The group agreed that attempting to alter the bond legislation in order to improve its chances of passing may be problematic given the challenges in developing the legislation in the first place.

Monitoring Funding

Approximately \$30 million is allocated to monitoring fish restoration programs as part of the Anadromous Fish Restoration Program. The funds are paid by the contractors and administered by the Bureau of Reclamation. The committee agreed that Reclamation should be asked to provide a presentation on the AFRP program at their January meeting.

Delta Fee/Public Good Charge

The committee briefly discussed the merits of developing a Delta user fee or public good charge. The group discussed the challenges of determining nexus between beneficiary and the resource. There were concerns that the further you get from the Delta determining nexus can be a challenge. Also, developing a public use charge that does not violate the recently passed Proposition 26 may be difficult as well. The group found the idea intriguing and worth additional investigation but that it might be better to focus on Delta centered options. There was some concern however that this may not be a good fit for the BDCP which is a permit focused process, and the addition of this could confuse the public. The committee agreed that a

good starting point might include identifying which water right holder might be responsible for which fee.

Open Discussion

Jerry encouraged discussion and input on his question regarding consideration of implementing some sort of a fee based structure to help cover some of the obligation for the 4-5 billion dollar costs of implementation for the BDCP. Since the 2 billion dollar proposed bond act may not pass or even make it on the ballot he requested all to give their thoughts regarding if a fee structure is a good alternative. Many concerns were addressed with appropriating fees and determining how to identify those groups. The Committee wanted to talk about the fee structure in more detail. Many requests were made to list out all the different types of benefits to which they can assign beneficiaries to first so that the fee structure can be detailed accordingly.

Questions were asked regarding details of Chapter 8. Jerry pointed out that the actual implementation costs are outlined in the documents on the website. The payment portion/ financing plan should be available in the next month and Jerry said he will distribute it to the Finance Committee.

Next Steps

The following action items were identified by the committee for discussion at their next meeting(s):

- Presentations:
 - Central Valley Project Improvement Act (CVPIA) – Funding how it can be used or not used
 - Anadromous Fish Restoration Program funding – Reclamation
 - Can Contractors pay for their part? How will it be done?
- List of possible benefits and beneficiaries
- Attorney General Deputy to discuss Racanelli Case, Presley Bill 989 and Prop 26 regarding guidance on fee and/or allocation.
- Expand the Draft matrix Spreck (EDF) created that identifies which water rights holders might be responsible for which restoration costs
- Distribute Financing plan to Finance Committee once available
- Draft matrix on existing BO restoration efforts and those anticipated by the BDCP showing restoration effort, responsible entity, funding source – Unassigned

The meeting adjourned at 2:55 p.m.