

FINANCIAL
STRATEGY & SB 900

E-012098-001

E-012098.001



**CALFED
BAY-DELTA
PROGRAM**

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Date: February 2, 1996

To: BDAC Members

From: Lester A. Snow, Executive Director
CALFED Bay-Delta Program

Subject: Draft CALFED Bay-Delta Program Financial Strategy

The financial strategy presentation during the December 1995 BDAC meeting gave rise to a number of questions regarding the application of the CALFED Bay-Delta Program's (Program) Solution Principles to the alternative development process as well as the process to be used in developing a means for funding the long-term solution.

The attached draft report is the first of several papers to be developed to address these questions. Specifically, the attached report:

- discusses the application of the Solution Principles affecting the financial strategy during Phase I of the Program;
- outlines a five-step process to be used in the development of the financial strategy;
- further defines several terms and concepts which were raised during the December BDAC meeting; and
- provides two brief case studies relating to the initial approaches to these issues taken by comparable programs.

The concepts presented in this report provide the foundation for a more detailed discussion of the issues at the February BDAC meeting. It is expected that at that time, a detailed example of the process outlined in this report, based on one of the example alternatives, will be available for use during the discussion.

This draft report is in the process of being reviewed and expanded by CALFED Program staff. Modifications, corrections and further improvements to the draft report will continue to be made.

Attachment

CALFED Agencies

California

The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal

Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
Department of Commerce
National Marine Fisheries Service