

**BDAC Finance Work Group
Meeting Summary
April 2, 1996**

The BDAC Finance Work Group held its first meeting on April 2, 1996, at the Bank of America Building in San Francisco. BDAC members of the Work Group present were: Eric Hasseltine, David Guy, and Roberta Borgonovo. BDAC member Bob Raab was also in attendance and David Yardas of EDF was in attendance representing Tom Graff. Zach McReynolds from the Bay-Delta Program staff was also in attendance and prepared the meeting summary. Eight individuals were also present representing members of the general public and stakeholders. The work group members discussed a proposed statement of purpose, and agreed to use it as an initial working format for the group.

The purpose statement was developed as follows:

- identify key financial issues and problems which must be addressed in order to successfully develop and implement the long-term solution and develop a range of alternative ways to address these issues and problems which could lead to building a workable consensus solution;
- identify, review and discuss the strengths and weaknesses of these alternative ways to address issues and prepare a summary for the larger BDAC group outlining the results of these activities.

The work group members discussed whether they should address near term emerging issues, such as SB 900 developments, or focus on longer term policy issues affecting the CALFED Bay Delta Program. The group agreed to focus on the longer term issues; but reserved the option to have a separate meeting on emerging issues when appropriate.

The work group members also reviewed the list of issues developed during the March BDAC meeting, and decided to begin by addressing the cost allocation issue. Discussion ensued on this topic, including some background on the approach used in the 1960s for the State Water Project. During the discussion, it was determined that it would be most productive to use a specific example of a program component to focus discussions. Setback levees were offered as a good example of a component with multiple benefits, and the group agreed to discuss the issue further at their next meeting using materials prepared relative to the setback levee example.