Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 4
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:19 No.023 P.04

Policy Questions

- Should all Proposition 204 funds be exhausted before the user share is increased? Why?
- How appropriate is the proposed cost allocation formula for storage?
- How appropriate is the proposed cost allocation formula for levees?

CALFED BAY-DELTA PROGRAM

E-017748

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 5
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:20 No.023 P.05

Policy Question

How appropriate is the proposed cost allocation formula for levees?

CALFED BAY-DELTA PROGRAM

E-017749

Received Jul-1 '98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 6
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:20 No.023 P.06

Financial Principles

- Benefits Based
- Public/User Split
- User Charges
- Ability to Pay
- Crediting
- Cost Allocation Methods

CALFED BAY-DELTA PROGRAM

E-017750

E-017750

Benefits Based

- In principle o.k. for future
- Issues to be worked out
  - Starting Point
  - Quantifying non-market benefits
  - Receiving of all costs
  - Ability to pay

CALFED BAY-DELTA PROGRAM

E-017751

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 8
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:20 No.023 P.08

Public/User Split

- Conceptually o.k.
- Issues to be worked out
  - Categorizing benefits
  - Overlapping benefits

CALFED BAY-DELTA PROGRAM

E-017752

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 9
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:21 No.023 P.09

User Charges

- Who will pay?
- How much?
- When will it start and end?
- What will money be used for?
- How will it be collected?
- How will future decisions be made?

CALFED BAY-DELTA PROGRAM

E-017753

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 10
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:21 No.023 P.10

Policy Question

How appropriate is the proposed cost allocation formula for storage?

CALFED BAY-DELTA PROGRAM

Policy Question

Should all Proposition 204 funds be exhausted before the user share is increased? Why?

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 12
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:21 No.023 P.12

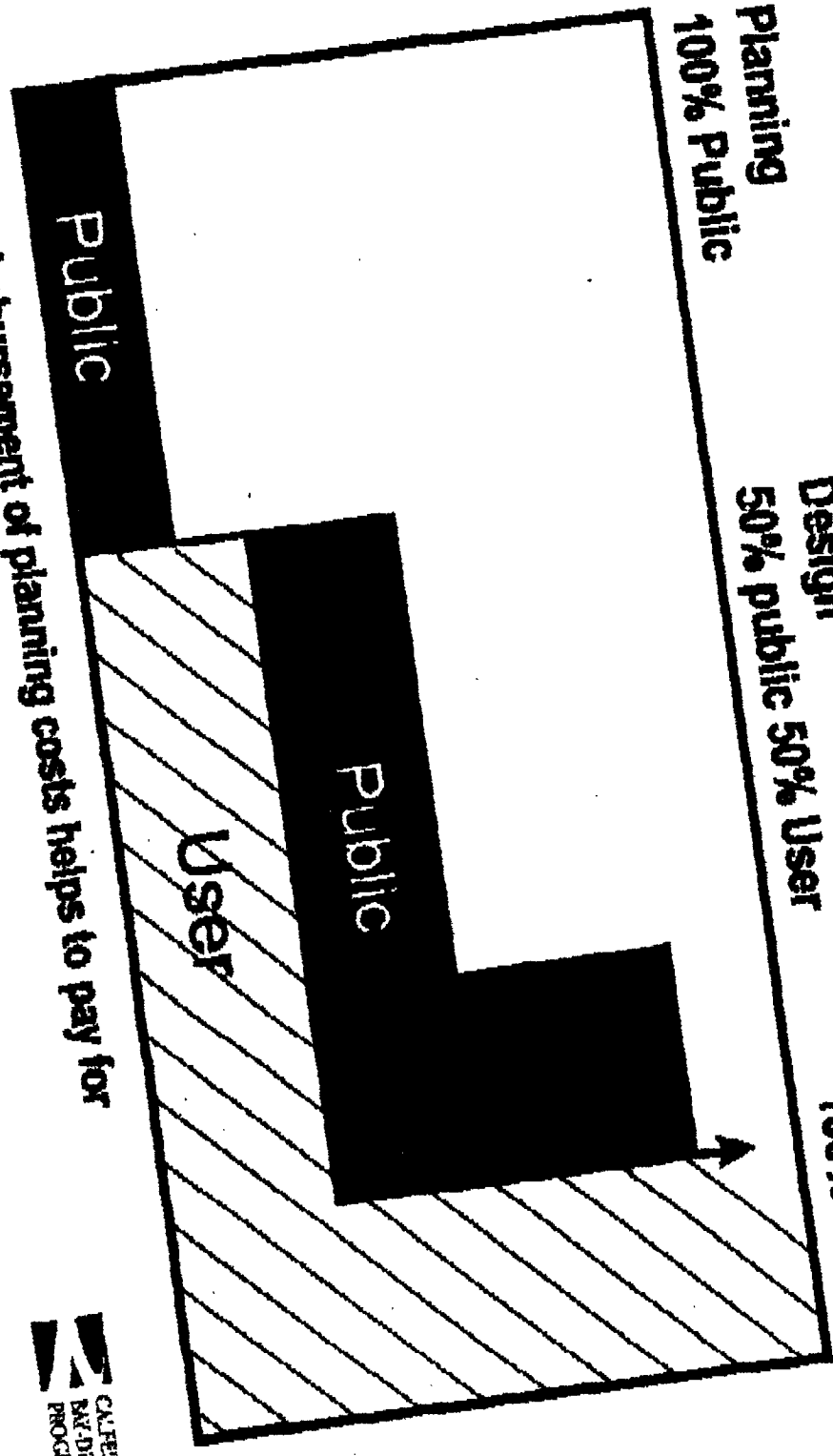
Questions for BDAC

- Should all Proposition 204 funds be exhausted before the user share is increased?
- How appropriate is the proposed cost allocation formula for levees?
- How appropriate is the proposed cost allocation formula for storage?

CALFED BAY-DELTA PROGRAM

E-017756

Proposed Storage Cost Allocation



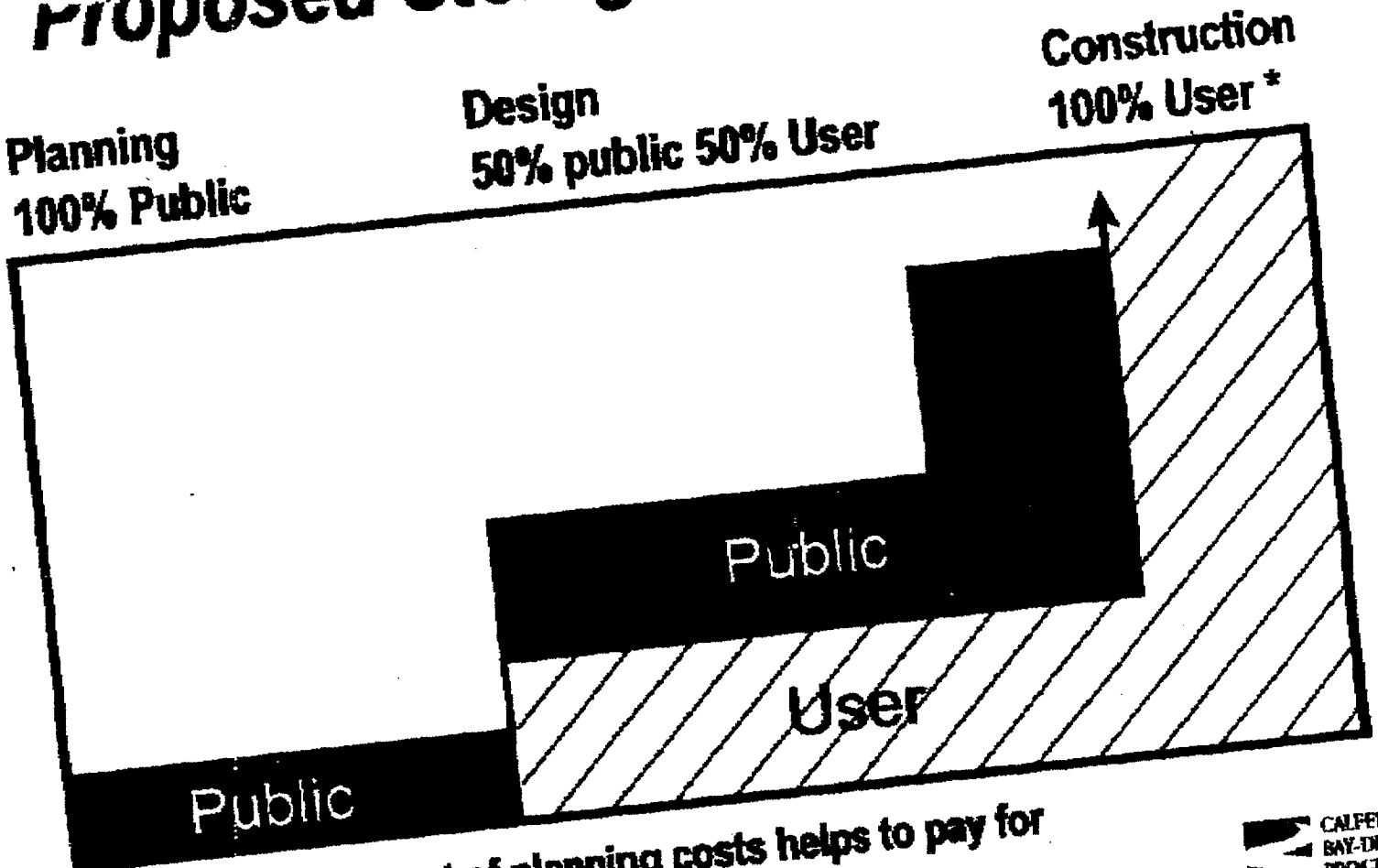
* User reimbursement of planning costs helps to pay for stage 2 ERP costs

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 14
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:22 No.023 P.14

E-017758

Proposed Storage Cost Allocation



* User reimbursement of planning costs helps to pay for
- ERP costs

CALFED BAY-DELTA PROGRAM

Questions

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 15
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:22 No.023 P.15

User Charges

- How much?
  - Related to benefits
    - Water use in the watershed
    - Common Programs
  - Crediting Issues
  - Ability to pay issues

CALFED BAY-DELTA PROGRAM

E-017759

E-017759

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 16
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:23 No.023 P.16

User Charges

- When will it start and end?
  - Receipt of benefits
  - Timing of need for stable funding sources

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 17
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:23 No.023 P.17

E-017761

User Charges

- What will the money be used for?
  - Common Programs
- How will it be collected?
  - Related to water use
    - existing contracts
    - new mechanism
- How will future decisions be made?
  - Implementation structure

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 18
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:23 No.023 P.18

E-017762

Example Storage Cost Allocation

Surface Storage Stage 1 Actions	Public	Users	Total
Planning	$70M	0	$70M
Design	$35M	$35M	$70M
Construction	$0	$0	$0

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 19
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:24 No.023 P.19

Ability to Pay

- Assume each beneficiary pays allocated share of cost
- Case by case consideration of exceptions based on clear evidence of need

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 20
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:24 No.023 P.20

E-017764

Crediting

- Coordination of funding sources is important
- Recognition of existing payments toward CALFED compatible actions

CALFED BAY-DELTA PROGRAM

E-017765

Received Jul-16-98 04:44pm from 9166549780 → OAKLAND ARPT HILTON page 21
CALFED BAY-DELTA PROG. ID:9166549780 JUL 16'98 16:24 No.023 P.21

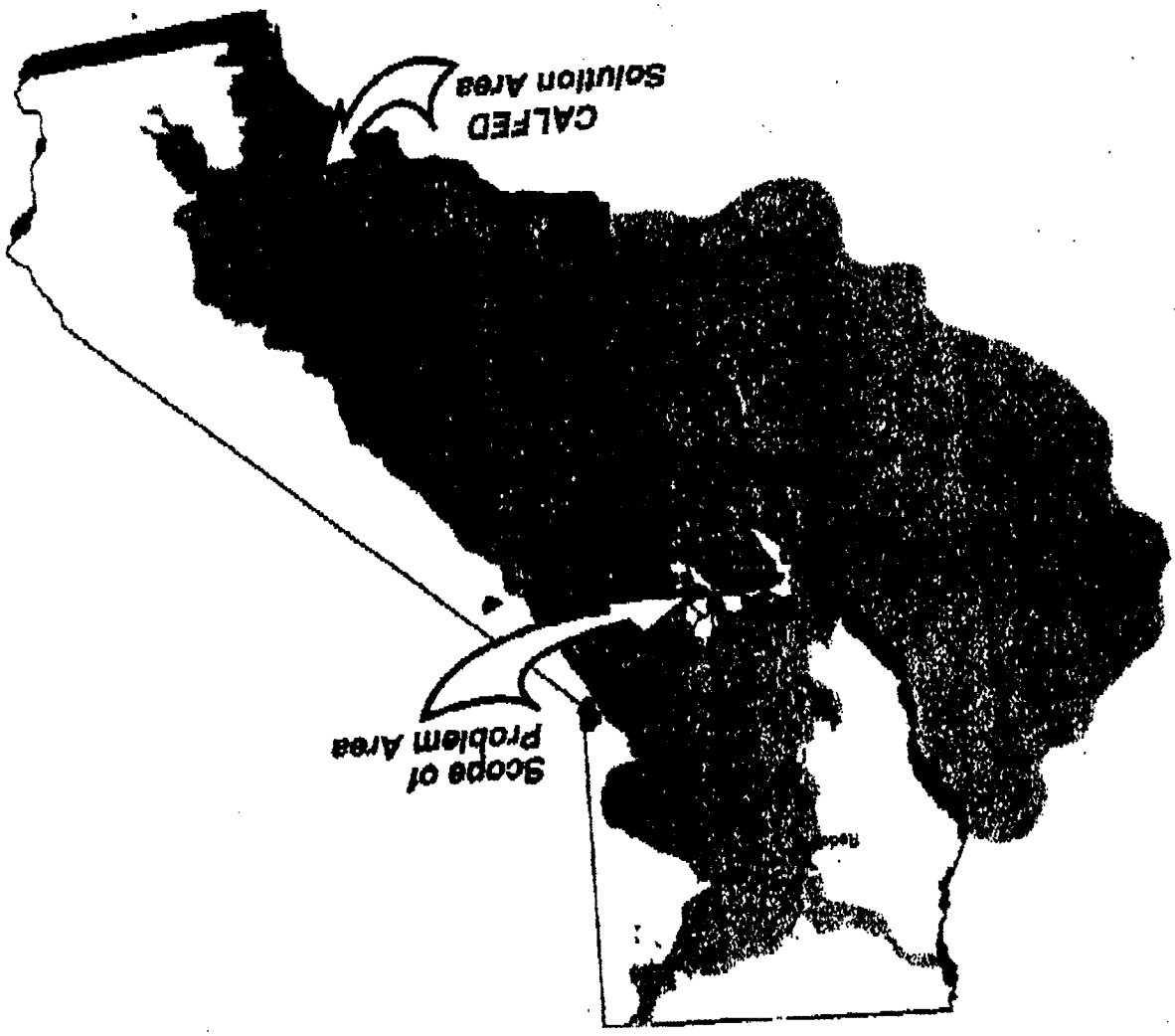
E-017765

Cost Allocation Methods

- Selection Criteria
- Methods
  - Traditional
  - Technical
  - "follow the water"
- Action types may determine method

CALFED BAY-DELTA PROGRAM

User Charges



CALFED
BAY-DELTA
PROGRAM

Stage One Program Costs

Program	Public Share	User Share	Other
Ecosystem Restoration			
Monitoring, Research			
Water Transfers			
Water Use Efficiency			
Levees			
Water Quality			
Watershed Management			
Storage			
Conveyance			
TOTAL COST	$	$	$

CALFED BAY DELTA PROGRAM

Received Jul-16-98 04:44pm from 916654978O → OAKLAND ARPT HILTON page 23
CALFED BAY-DELTA PROG. ID:916654978O JUL 16'98 16:25 No.023 P.23

Ecosystem Restoration Program - Stage 1

Environmental Documentation/Permits

Conduct Scientific Investigations

Address Direct Mortality

Program Management

Acquire Habitat Acreage

Acquire Ecosystem Water

Create Sacramento River Meanders

Acquire San Joaquin River Easements

Restore Gravel Beds

Limit Exotic Species

Conduct Monitoring

CALFED BAY-DELTA PROGRAM

Received Jul-16-98 04:44pm from 916654978O → OAKLAND ARPT HILTON page 24
CALFED BAY-DELTA PROG. ID:916654978O JUL 16'98 16:25 No.023 P.24

ERP Stage 1 Projected Costs and Allocations

Actions	Total Cost	Public Share*			User Share
		Fed. Appro.	Prop 204	CVPIA	
Environmental Doc./Permits					
Science					
Direct Mortality					
Program Management					
Habitat					
Water					
Meanders					
Easements					
Gravel					
Exotics					
Monitoring					
Total	$811M	$280M	$390M	$105M	$280M +

* Total = $910M

CALFED BAY-DELTA PROGRAM