



California Water Commission

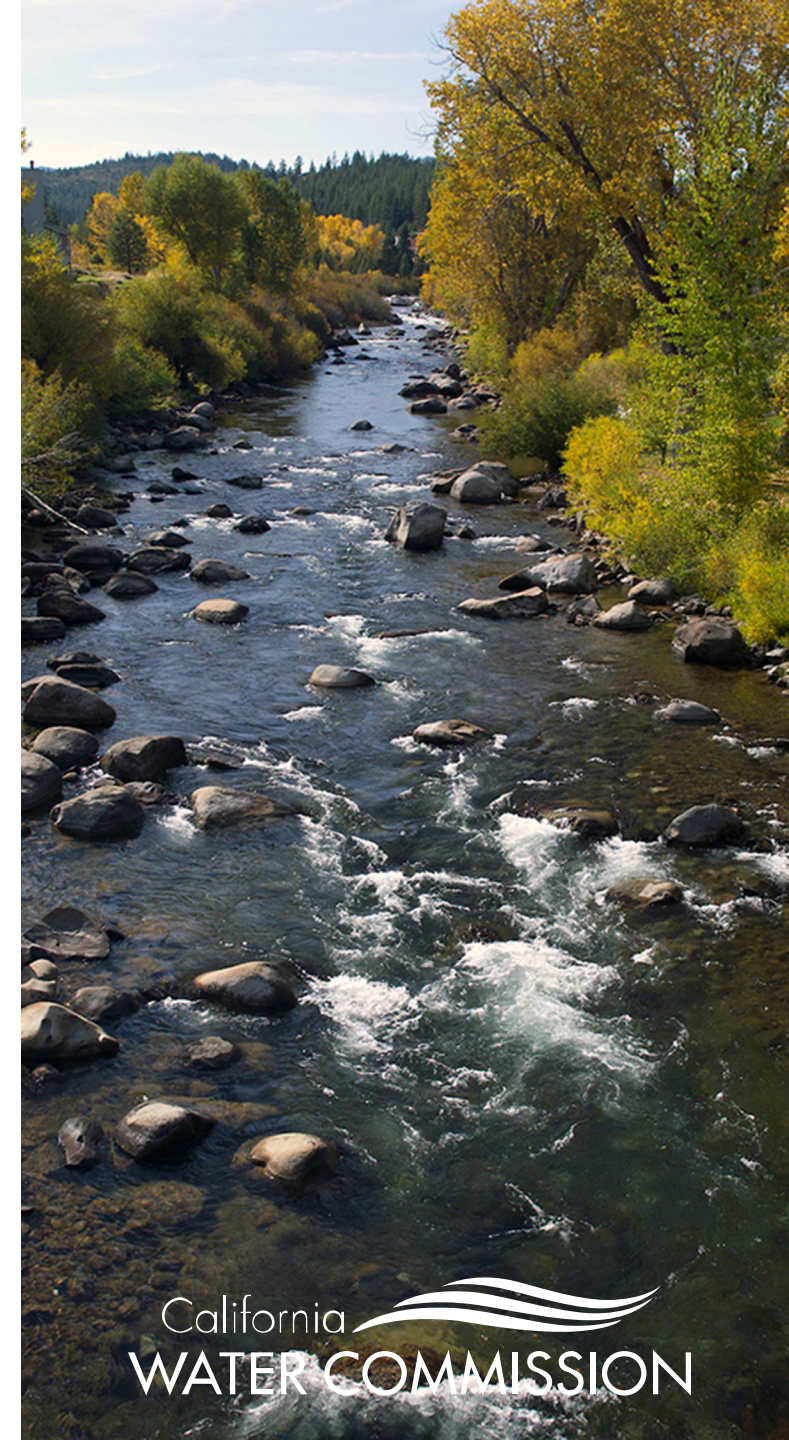
Resilient Conveyance

January 21, 2021

Today's Discussion

What are the public benefits to state taxpayers that may justify state financing of conveyance projects?

- Revisit public benefits presentations from December meeting
- Discuss list of public benefits that the state might fund and how the state could consider valuing those benefits



Public Benefits Definitions

Beneficiary pays principle asserts that user should pay for those aspects of the project from which it benefits.

Private benefits accrue to specific entities or individuals.

Public benefits accrue society-wide or within a specific geography or to a specific class of people;

-OR-

don't accrue to a well-defined group of people from whom you can clearly align benefits and recover costs.

Subsidies occur when public funds are used to pay for private benefits.

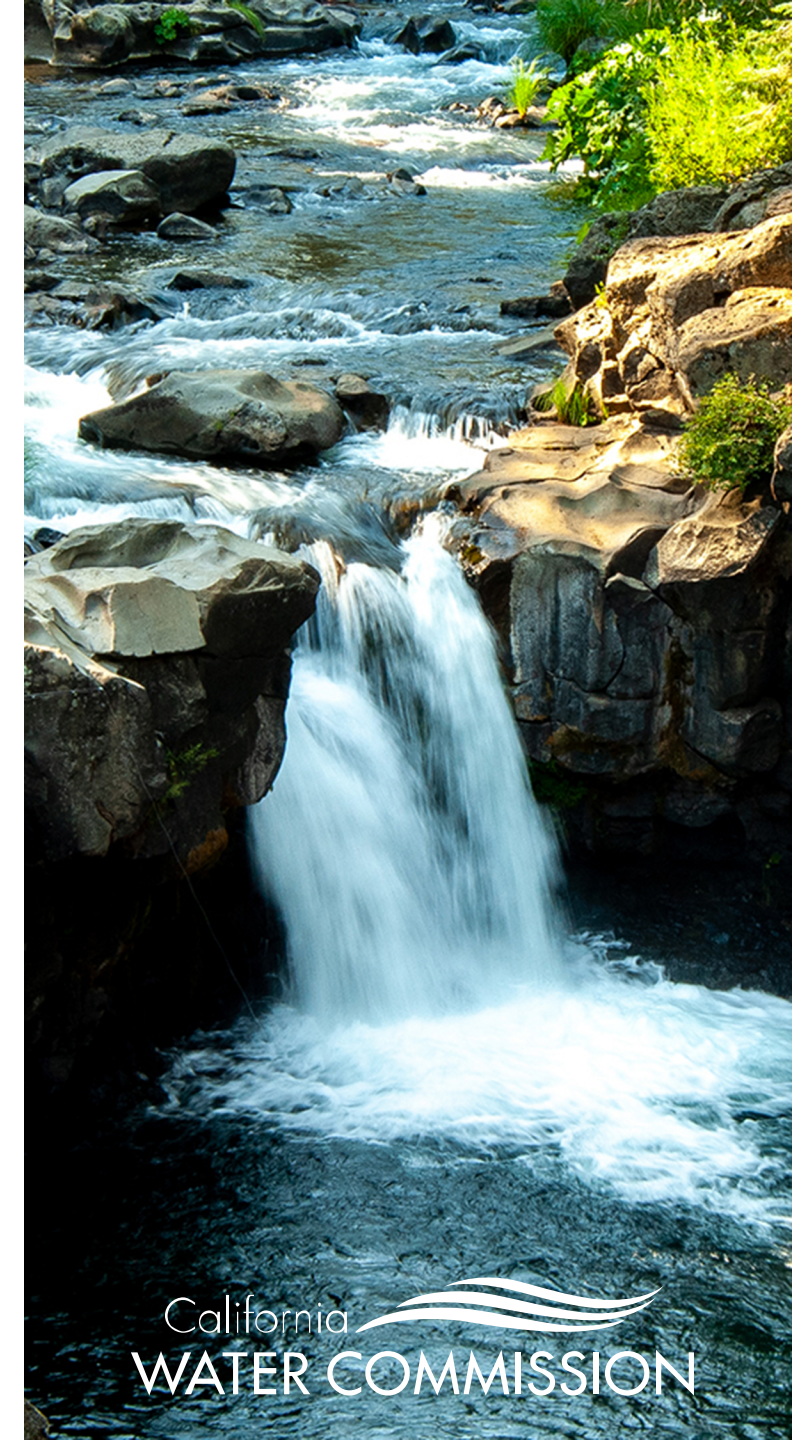
- Reasons for subsidies:
 - beneficiaries are budget constrained
 - benefits are too diffuse to seek payment from beneficiaries



What are the public benefits of conveyance projects?	PPIC's "Fiscal Orphans"	WSIP	Economists
Ecosystem	X	X	X
Poor rural communities	X		X
Flood protection	X	X	X
Collaborative management	X		If interdependent & regions are resource constrained -OR- Make part of ranking criteria
Water quality improvements		X	X
Emergency response		X	X
Recreation		X	X
GHG reduction			X
Human Right to Water			X
Regional economic stimulus			If region is resource constrained -OR- Make part of ranking criteria
Water reliability			If interdependent & regions are resource constrained
System resilience			If interdependent & regions are resource constrained
Community enhancement			Make part of ranking criteria

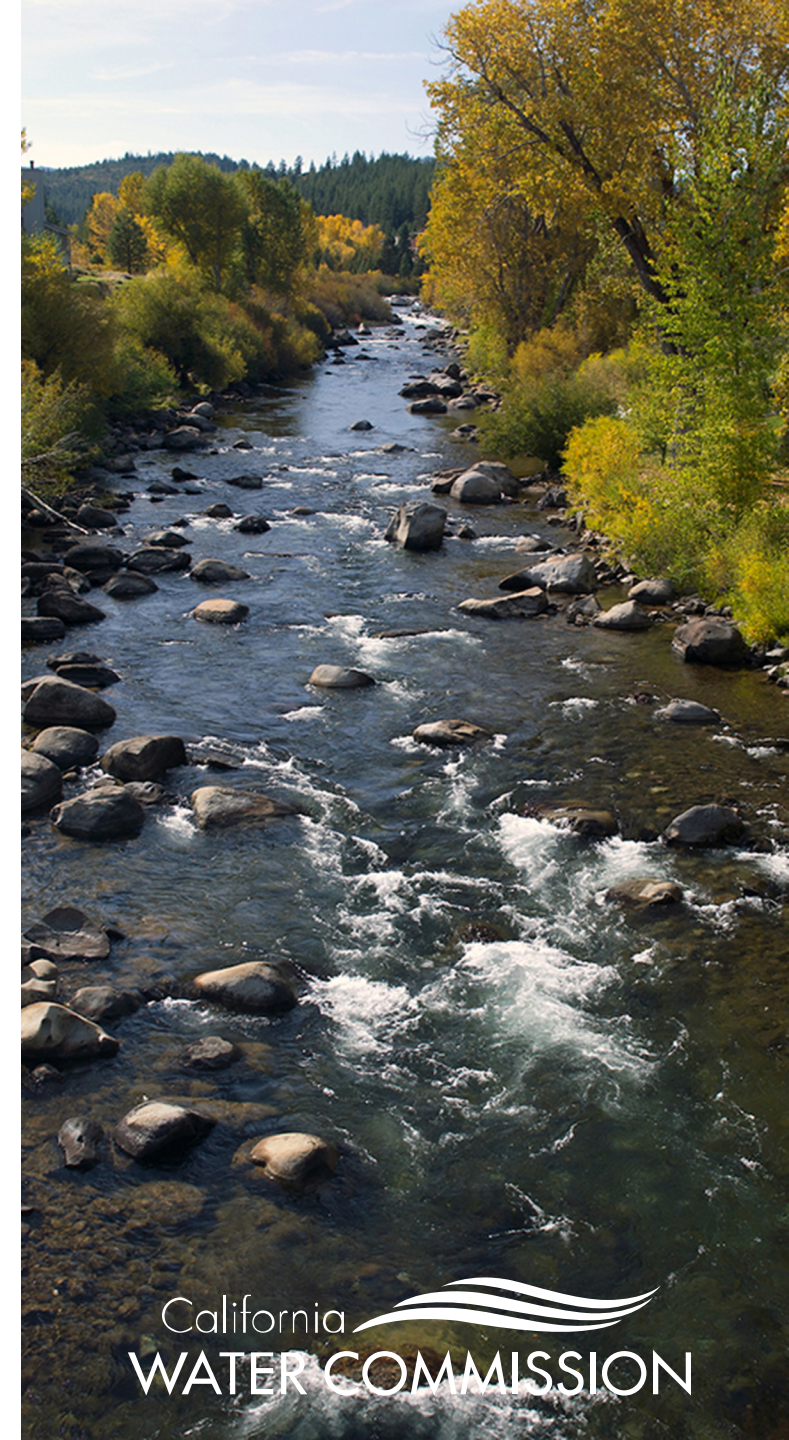
Why Consider Public Benefits?

- Defines what aspects of a project warrant state investment on behalf of the people of California.
- Per the beneficiary pays principle, the state should only be paying for the portions of a project that provide benefits broadly to the state.
- Public benefits are defined based on broad public preference.
 - Legislators and voters do this routinely when deciding how to spend public money.



Discussion

Guiding Question: Are some benefits more of a public priority than others? Should certain benefits be resourced before others?



Valuing Public Benefits

Guiding question: How should the state determine the value of public benefits?

Two possible means of valuing:

- Assign costs: define public benefits that can be funded with state money, quantify them, allocate money to them
- Cost share: if project meets certain qualifications, qualifies for cost share



Next Steps

Gather Public Input (November 2020 – March 2021)

- Regional workshops
 - Southeastern California – Tuesday, December 8, 2020
 - Southern California – Thursday, December 10, 2020
 - Northern California – Tuesday, January 12, 2021
 - Central California – Tuesday, January 26, 2021
- Expert panels
 - Financing panel – February

Draft Recommendations (anticipated Spring 2021)

Final Recommendations (anticipated mid-2021)

