Senate Natural Resources and Water Committee Hearing
February 21, 2006

Governor's Strategic Growth Plan

Flood Protection and
Clean, Safe, Reliable Water Supply
Bond and Financing Acts of 2006 and 2010

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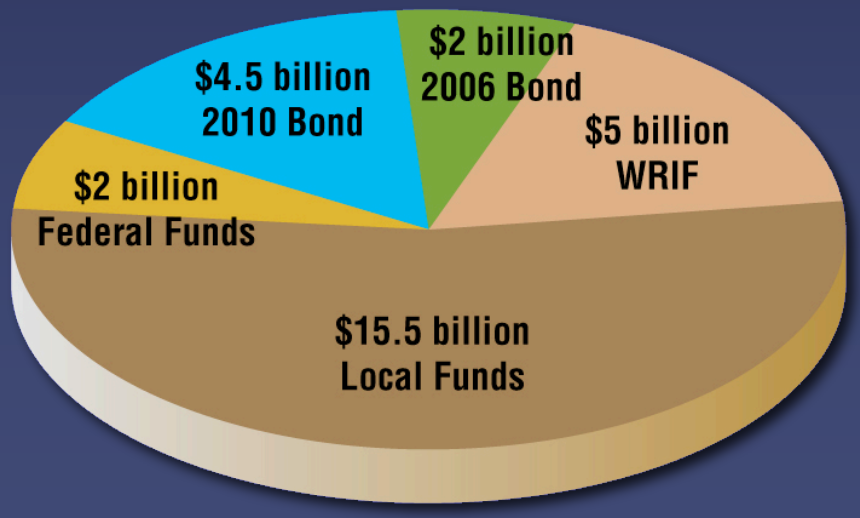
Governor's Strategic Growth Plan

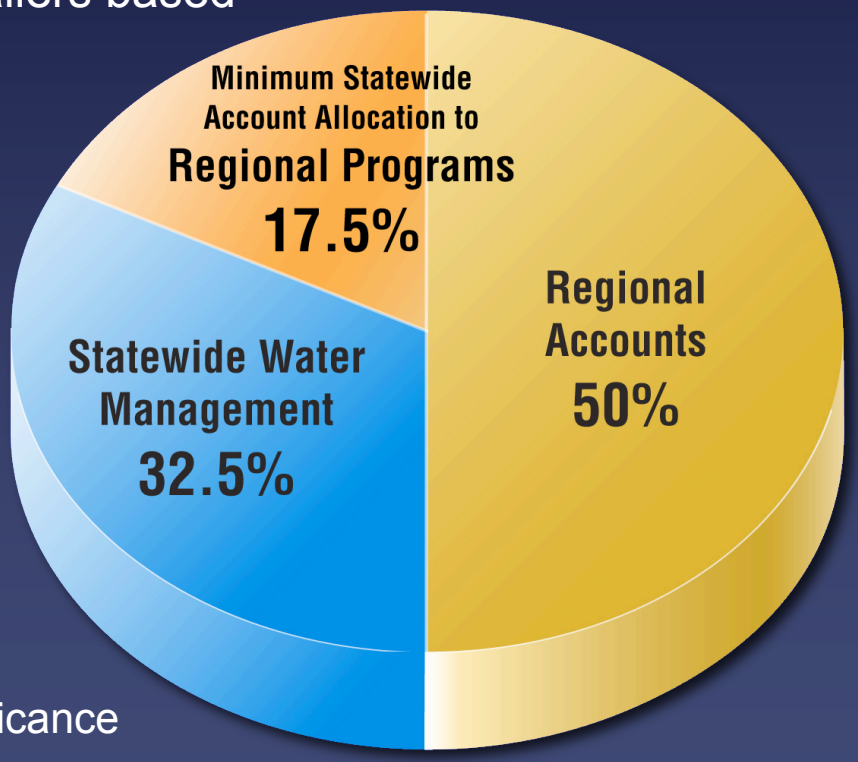
$29 Billion over 10 years for Water Management

- Bonds and WRIF provide stable funding for
  - Regional Investments
  - Statewide Investments
- Bond financing jump starts investments ($6.5 billion)
- WRIF provides continuous and sustained investments (about $5 billion)
- Bonds and WRIF create incentive for other local investments and provide cost share to obtain federal matching funds (about $17.5 billion)



Water Resources Investment Fund

- A new source of sustainable, continuous funding
- Capacity Charge applied to water retailers based on number and types of connections
- One-half of collected funds are deposited in regional accounts:
  - Regional projects
  - Local match for bond funds
- One-half of collected funds are deposited in a statewide account:
  - Obtaining federal matching funds
  - Supporting priority regional projects
  - Emergency funding for remediation of groundwater contamination
  - Water infrastructure of statewide significance
  - Other statewide programs that promote IRWM



Proposed Capacity Charge Schedule by Water User Type

Water User Type	Monthly Charge per Water Connection
Customers on lifeline billing	$0.00
Single family connections	$3.00
Multiple family connections	$10.00
Commercial	$5.00
Industrial	$10.00
Agricultural; less than 10 acres	$3.00
Agricultural; 10 to 180 acres	$6.00
Agricultural; greater than 180 acres	$10.00

This is the schedule used to calculate water suppliers' capacity charges. Local suppliers will decide how to apportion the fee to their residential, commercial, and agricultural customers.

Estimated First Year Regional Capacity Charge Collections

Funding Region	Estimate of Fees Collected ($ million)
Central Coast	$18
Colorado River	$8
Lahontan	$9
Los Angles - Ventura	$102
North Coast	$10
Sacramento River	$36
San Diego Area	$36
San Francisco Bay	$67
San Joaquin River	$23
Santa Ana River	$48
Tulare Lake	$23
TOTAL	**$380**

Sound Investments in Water Management

- Sustained investment approach
- Match specific plans for water quality, water supply and flood protection improvements with investment strategy
- Largest investment in state history to maintain and improve flood and water management programs

Three components of state investment:

- Bonds
- Water Resources Investment Funds
- State Budget Increase

In Addition, Legislative Initiatives (e.g. AB 1665) will Complement these Investments