

Investing in California's Water Future



Today's Goal

Frame our investment discussion for achieving:

A more sustainable water resources system that achieves a resilient, dynamic balance between societal values



Topics

- Why we should care
- How we got here
- What we should do



Why We Should Care



Water Sustainability Enhances Prosperity (on every level)



*Maslow's
Hierarchy of
Human Needs*

Why We Should Care

Reduced Prosperity for Future Generations

- Greater Drought Impacts - Unreliable Water Supplies
- Increasing Flood Risk
- Groundwater Depletion and Subsidence
- Degraded Water Quality
- Declining Environmental Conditions
- Aging Infrastructure



Low water level at Folsom Lake (January 2014)

Why We Should Care Delay At Our Own Peril

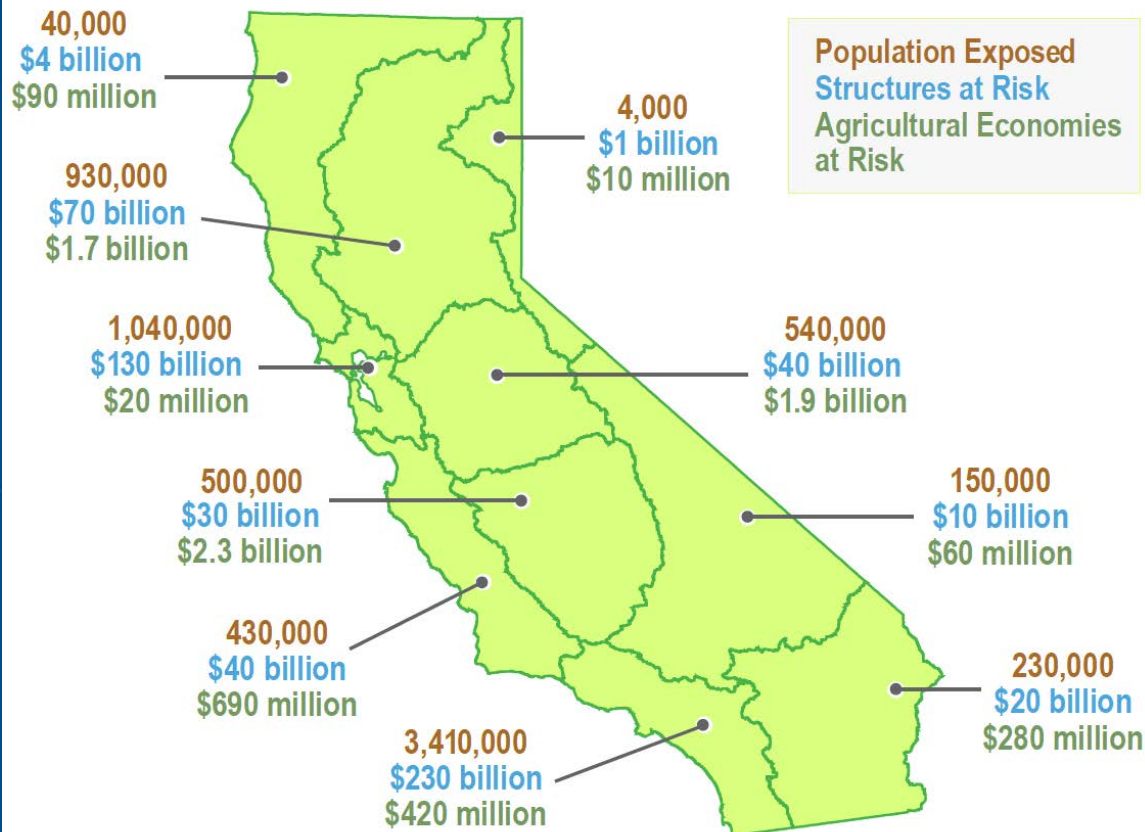
Major Flood Events



Major Drought Periods



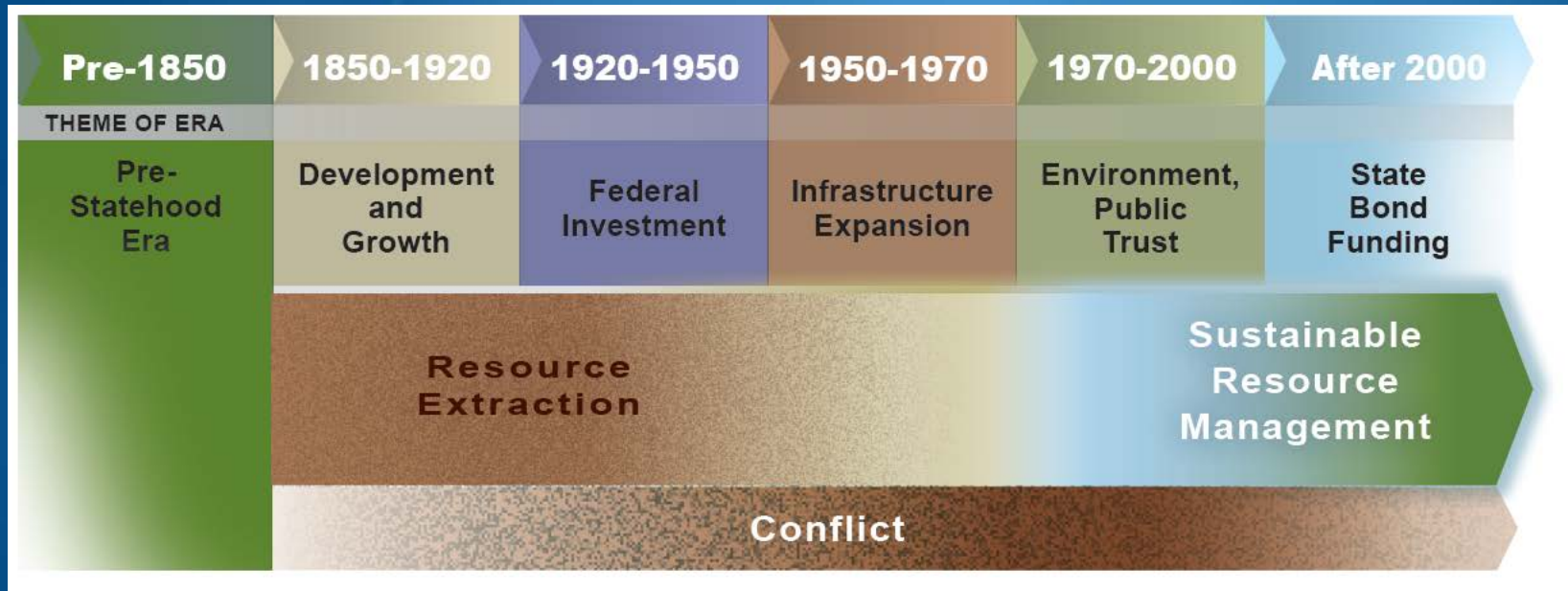
7 Million People and \$600 Billion in Assets in Floodplains



Droughts and floods are inevitable in California, but drought and flood impacts don't have to be.

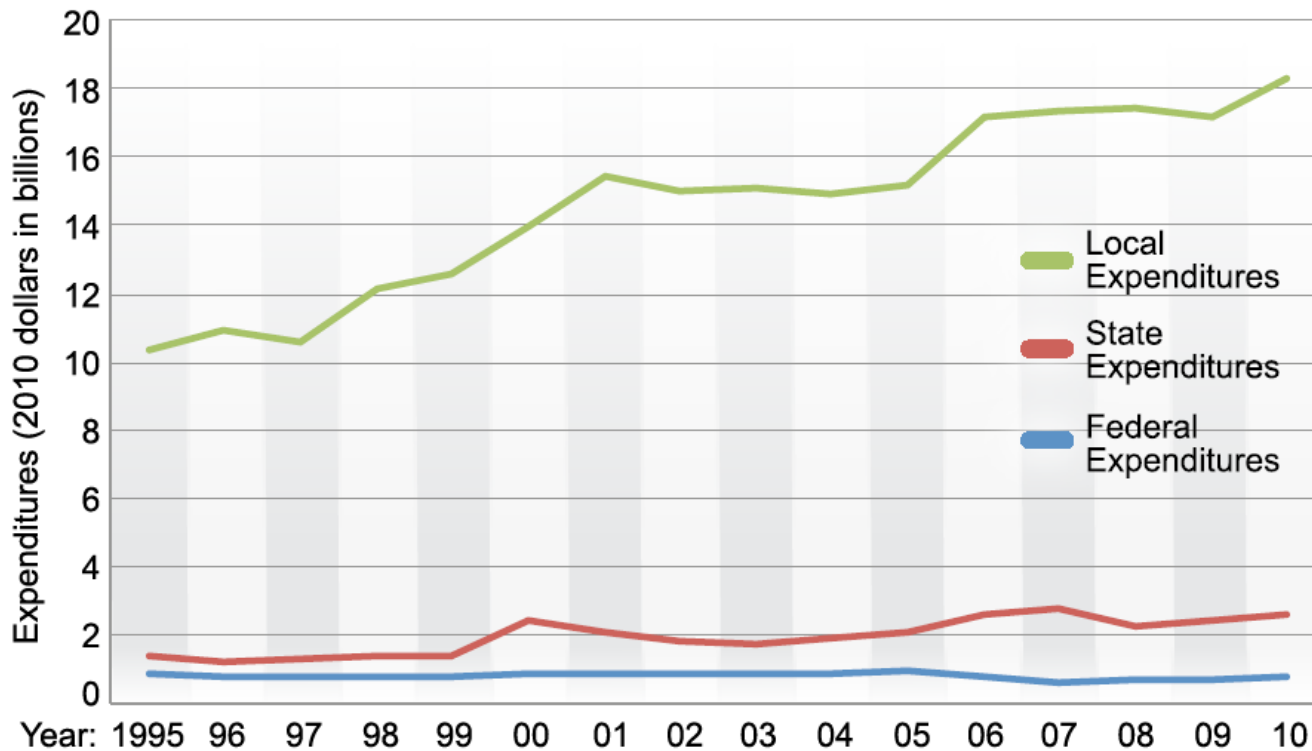
How We Got Here

Past Choices Shaped Today's Water Challenges



How We Got Here

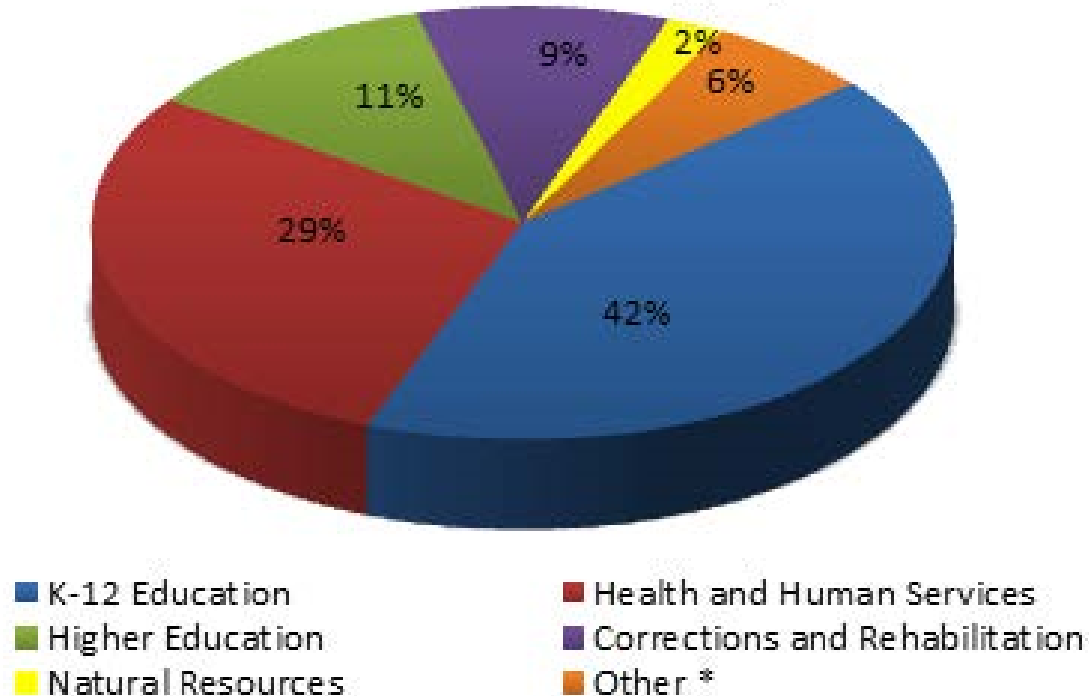
Investments Over Previous Decade: A Good Down Payment



Despite significant local investments and State bonds, management of California's water resources remains underfunded.

How We Got Here

Where Does the State Spend Its Money? FY 2013-14 General Fund Appropriations

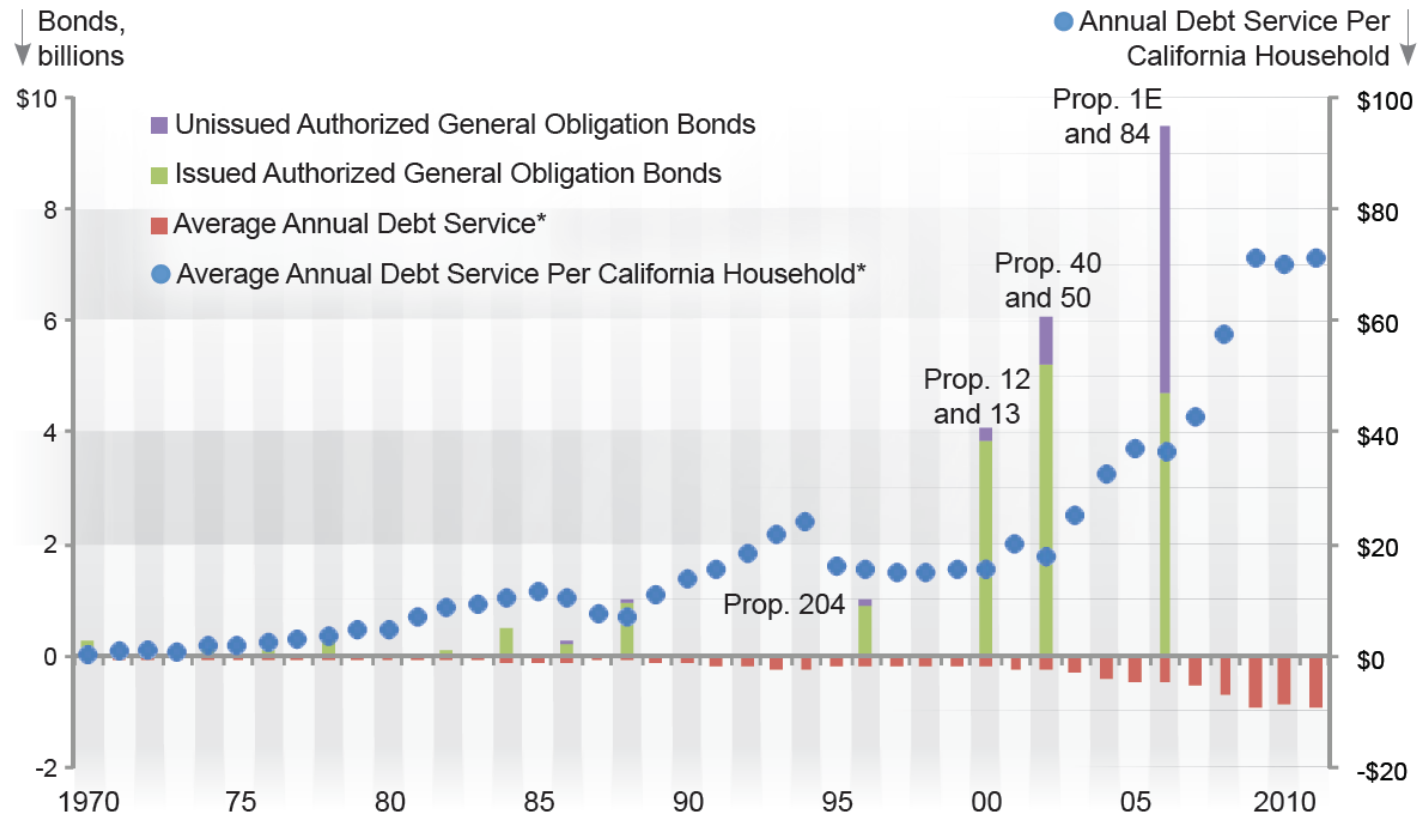


*Other includes: Business, Consumer Services and Housing, Transportation, Tax Relief, and Environmental Protection Agency (each less than 1 percent of General Fund).

Source: [Department of Finance](#) (Chart C, General Fund Program Distribution, January 2014)

How We Got Here

Figure 7-5 General Obligation Water Bond History, 1970-2012



*Debt service is applicable to issued General Obligation bonds only. Data courtesy of the California Department of Finance.

What We Should Do

Manage for Value and Sustainability



What We Should Do

Develop a Strategy for Prioritizing Invest in:

Infrastructure

Innovation

- State governance
- Planning/public process
- Government agency alignment
- Information technology
- Water technology and science

What We Should Do

Use a Deliberative Process to Develop a Strategy

1. Define Desired Outcomes
2. Analyze Potential Actions
3. Assess Existing Funding
4. Identify Unstable/Insufficient Funding
5. Identify State Government Roles & Priorities
6. Estimate Costs of Roles & Priorities
7. Identify Preferable Funding Methods
8. Track and Report on Outcomes