

# State Water Project Budget & Multi-year Planning

The seal of the California Department of Water Resources is centered in the background. It features a circular design with the text "DEPARTMENT OF WATER RESOURCES" at the top and "STATE OF CALIFORNIA" at the bottom. The central image depicts a landscape with a winding river, green fields, and mountains under a blue sky.

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# SWP Financial Overview

- Annual Revenue over \$1 billion
- Capital Financing \$ ~300 million
- Fund Sources
  - 29 SWP Contractors, Cost-share (Bureau of Reclamation), Power Revenue, Davis-Dolwig
- Use of Funds
  - Operation & Maintenance, Debt Service, Capital projects, Planning Programs
- Enhanced Financial Systems



# SWP Financial Management Challenges

- Aging infrastructure investment and adaptation to climate change (Operation and Maintenance, Subsidence, Sisk Dam, tidal restoration, recreational, fish and wildlife enhancement)
- Affordability (cost compression, inflation)
- Contract Extension Amendment transition



# SWP Financial Management Enhancement

- Portfolio, Project, and Resource Management (PPM/RM)
  - Identify, prioritize, plan, and allocate resources
  - Integrated with the State Budget process
- Cost Allocation and Billing (CAB)
  - Allocate costs across reaches, project purposes, cost components, and Contractors
  - Include the new billing methodology under Contract Extension Amendment
  - Enhanced transparency



# SWP Budgeting & Cost Recovery Process

- SWP plans its annual budget through the Bulletin 132 cost planning process.
- SWP bills the Water Contractors actuals and projected costs on a calendar year basis through annual Statement of Charges.
- SWP conducts financial analysis to forecast future revenue needs.

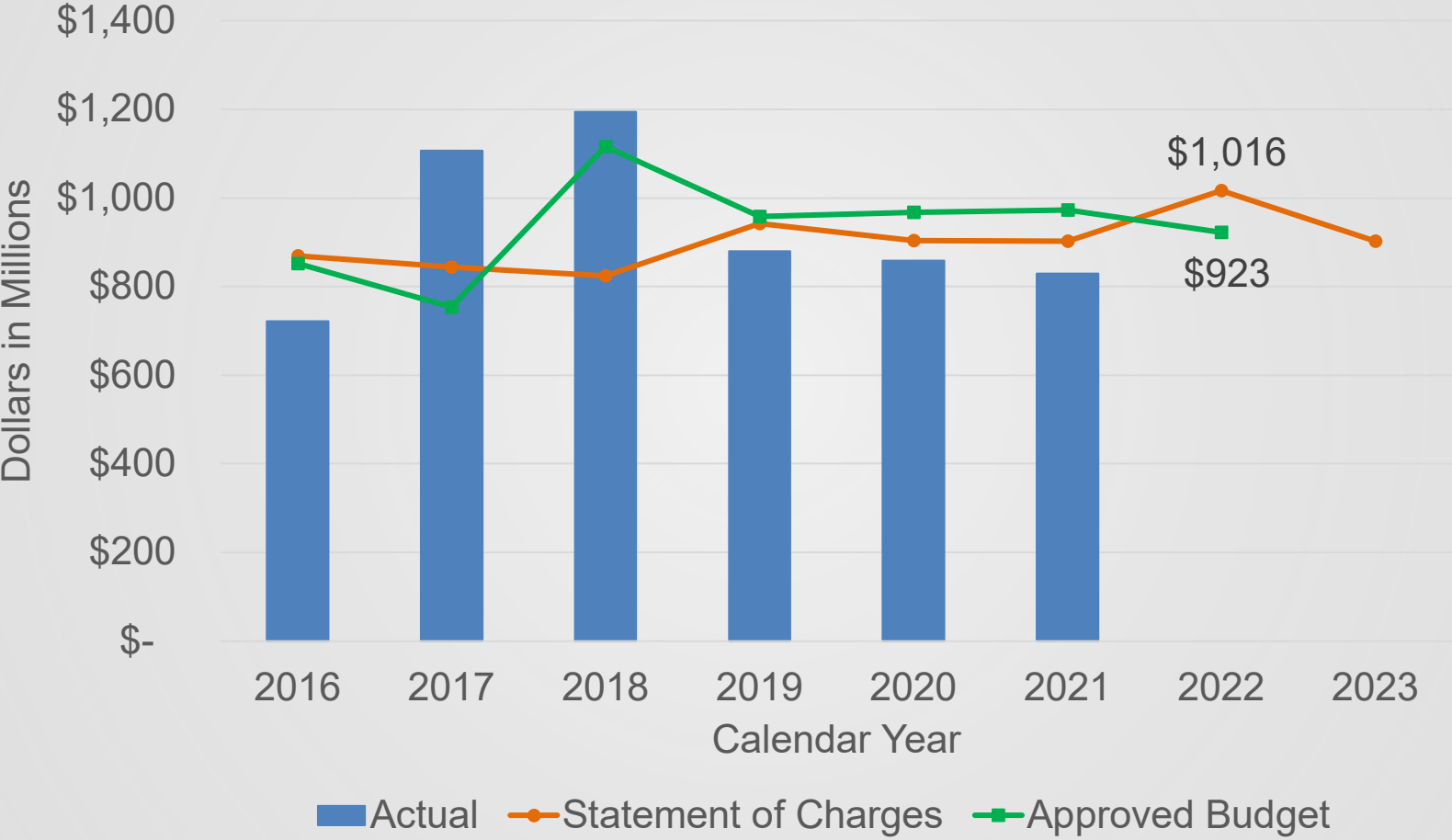


# SWP Budgeting & Cost Projections

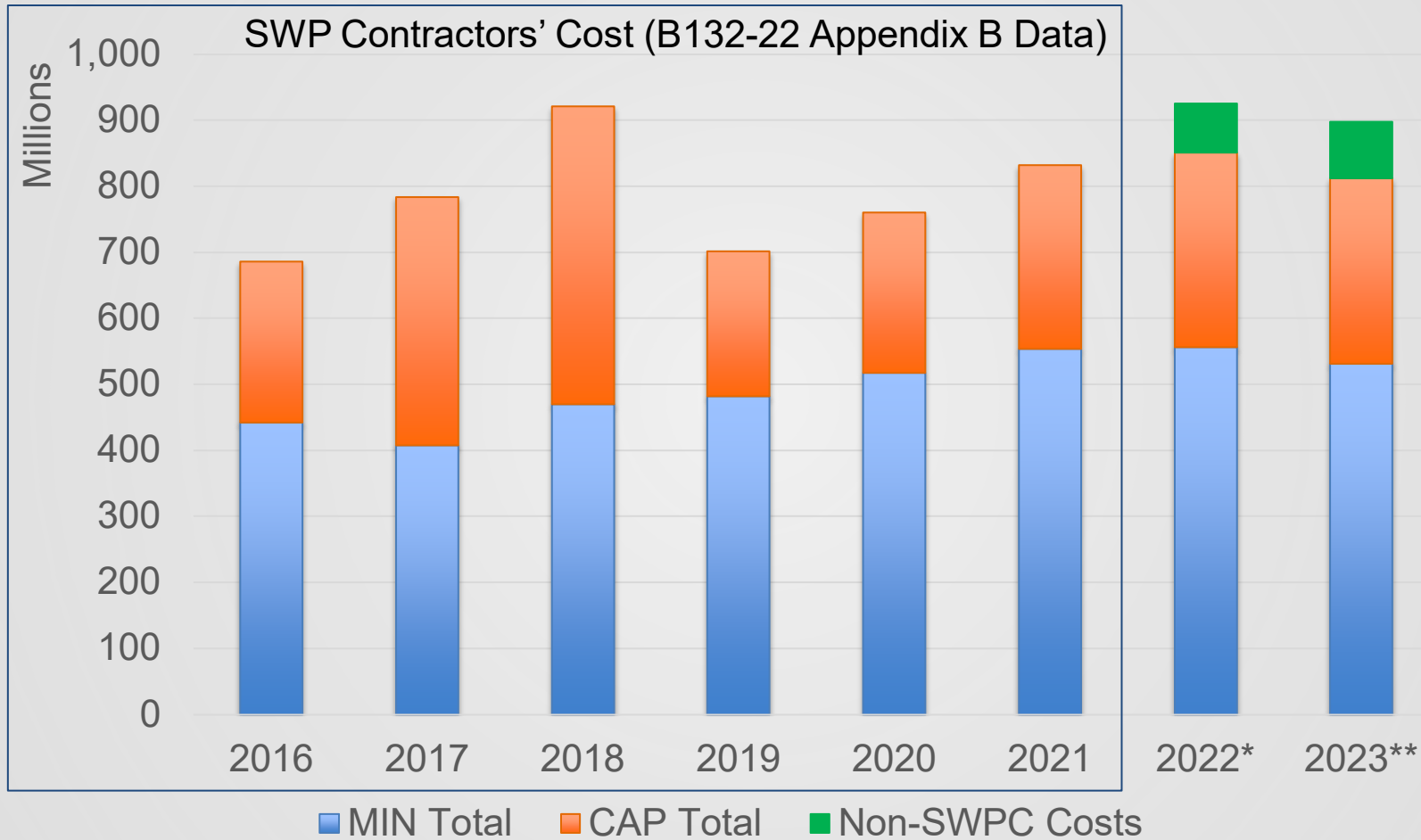
- ❑ 100% of SWP program/project costs are included
  - SWP personnel costs (Labor)
  - SWP operating expenses and equipment costs (OE&E)
  - Costs for water supply and all other purposes (recreation, flood control) are included in the projections
  - Cost-share is included in the projections
- ❑ Statement of Charges only include reimbursable “Water Supply” costs billable to the SWP Contractors



# SWP Budget Actual vs. Planning



# SWP Contractors' Cost Trend (2016-2023)





# Top Capital O&M Projects – 2022-2024

Project Title	2022-2024 Budget
Oroville River Valve Outlet Retrofit	\$48M
San Joaquin Field Division Fire & Life Safety	\$42M
JOC Relocation Construction	\$41M
Perris Dam Emergency Release Facility	\$40M
San Luis Field Division Fire & Life Safety	\$20M
Perris Dam Seepage Recovery	\$19M
Sisk Dam Seismic Remediation (Estimated SWP share)	\$17M
Castaic Dam Intake Tower Debris Catchment	\$16M
Delta Dams Rodent Burrow Remediation	\$13M
Protective Relay Replacement – Phase 3	\$13M

