



## Assessing a State Role in Financing Conveyance Projects

### Introduction

As directed by the Water Resilience Portfolio, the Commission is assessing a State role in financing conveyance projects to meet the needs of a changing climate. The Commission's work will result in a succinct paper describing key issues and mechanisms, including recommendations for state policymakers to consider as they weigh the financing options for water conveyance infrastructure. The paper will describe the essential criteria for resilient water conveyance projects that meet the needs of a changing climate, the potential public benefits of such projects, and the implications of various financing options.

At the December meeting, the Commission heard from an expert panel on determining and assessing the public benefits on conveyance. Panelists spoke to the public benefits of conveyance and proposed ways of thinking about how to prioritize and value them. The objective of the panel was to provide the Commission with information about how to identify public benefits based on policy priorities, examples of where this is being done already, and methods for valuing public benefits so that Commissioners are informed about how to consider coming up with a recommended list of public benefits that the state might fund and how the state could consider valuing those benefits. At this meeting, the Commission will revisit information from the December panel to discuss questions related to public benefits:

1. What are the public benefits to state taxpayers that may justify state financing of conveyance projects?
2. What are the public benefits of conveyance projects?
3. Are some benefits more of a public priority than others? Should certain benefits be resourced before others?
4. How should the state determine the value of public benefits?

### Background

On July 28, 2020, the California Natural Resources Agency, California Environmental Protection Agency, and the California Department of Food and Agriculture issued the final [Water Resilience Portfolio](#) (portfolio) in response to Governor Newsom's Executive Order N-10-19, which calls for a "set of actions to meet California water needs through the 21st century." The portfolio outlines a broad suite of actions designed to move the state toward water resilience. The portfolio calls on the Commission to fulfill Action 19.4: assess a state role in financing conveyance projects that could help meet needs in a changing climate. Action 19.4 is

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embedded in a section of the portfolio that is focused on building connections, which includes actions designed to help increase physical connections and coordination between and among the decentralized elements of California's water system.

The Commission's work on conveyance implements Goal One of the Strategic Plan, which calls on the Commission to "serve as a primary public forum for the discussion of improving water management policy to assist regions in achieving climate resiliency ... including those actions of the Water Resilience Portfolio assigned to the Commission."

### **Meeting Overview**

Laura Jensen, the Commission's Assistant Executive Officer, will recap information presented on the topic of public benefits and lead the Commission through a discussion about identifying and valuing public benefits. The Commission will also discuss areas that may require further exploration prior to developing recommendations.

This is an informational item.

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