

SRCS D supports the following key principles in the development and establishment of plans for financing new Delta related activities.

Delta programs and funding sources must be clearly delineated and prioritized.

- The Delta Plan must include clear delineation of major programmatic funding needs, a broad and inclusive analysis of potential funding sources, and consideration of a comprehensive array of financing mechanisms. The four major Delta project areas include:
 - Administration for Delta programs (such as the Delta Stewardship Council, the Delta Science program, and the Delta Conservancy),
 - Water supply reliability and alternative conveyance facilities through or around the Delta and mitigation thereof,
 - Ecosystem restoration projects, and
 - Other Delta infrastructure and Delta as a place related projects.
- Potential financing mechanisms include:
 - Federal and state general funds;
 - State bond funds;
 - Public goods charges;
 - User fees, beneficiary fees, and stressor fees.
- The finance plan should be phased and follow an adaptive management approach. The Plan should focus immediately on meeting short term needs, keep a variety of long term funding options available, and implement long term funding options as the specific projects and costs become clear.
- Selection of actions needed to support Delta goals must be based on sound business perspectives to prioritize where money will be spent. Cost benefit or return on investment type approaches are essential in determining where value is created, thereby enabling priorities to be set.

Any assignment of costs must be equitable and based on a clear nexus between the paying entity and the program expenditure.

- Proponents of alternative Delta conveyance and export projects should pay all costs associated with facility development, construction, and associated ecosystem mitigation.
- In developing any "beneficiary pays" and "stressor pays" financing approaches, a broad view of beneficiaries and stressors must be taken. All significant beneficiaries and stressors must be considered regardless of whether they have a known source of funding behind them, and it is essential to make a rational determination of the relative proportion of benefits and stresses.
- State and Federal governments have a responsibility for financing significant portions of Delta programs, and local government entities should not bear an undue burden when state and Federal dollars become unavailable.
- The state and federal government bear a major responsibility for financing projects that mitigate the Delta's legacy issues.

There should be no double jeopardy – Entities should not have to pay twice.

- Investments towards compliance with regulatory requirements, investments in ecosystem restoration, and investments that otherwise further the co-equal goals should be inventoried and accounted for.
- Any viable long-term financing plan must protect against duplication of effort and duplication of charges. Where appropriate, programs should be streamlined and integrated.
- The Clean Water Act is effectively a stressor pays program. NPDES permittees effectively “pay” by complying with regulatory requirements that require investments in capital and operational enhancements to mitigate their impacts, and as a result, beneficial uses of water are protected
- Any consideration of stressor fees should be based on the degree to which the stressor is affecting beneficial uses. For discharges to the watershed (point and non-point), it would not be rational to base stressor fees on the volume of water quality constituents discharged because volume alone is not an indication of stress; the degree to which pollutant loading affects beneficial uses is a more relevant consideration.
- An entity that is required to mitigate or eliminate a stressor should not also be required to pay a fee associated with the same stressor.

The financing plan must incentivize useful actions.

- Incentives should be provided that encourage organizations to invest in monitoring and research and to enhance projects to provide extra benefit to the Delta.

For more information contact: Stan Dean, SRCSD District Engineer, deans@sacsewer.com
Prabhakar Somavarapu, SRCSD Director of Policy and Planning, somavarapup@sacsewer.com
Terrie Mitchell, SRCSD Legislative & Regulatory Affairs Manager, mitchellt@sacsewer.com