

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 19 – 69

**SUPPORT OF GOVERNOR NEWSOM'S
PROPOSED DELTA CONVEYANCE
("GOVERNOR'S PROPOSED PROJECT")**

WHEREAS, our mission at the Santa Clara Valley Water District (Valley Water) is to provide Silicon Valley with safe, clean water to support healthy lives, the environment, and economy; and

WHEREAS, the Board of Directors endeavor through our policies and actions to affirm to the residents of Silicon Valley that we are dependable stewards and that Valley Water can be trusted to provide clean, safe, affordable water, and guarantee our water supply for the future; and

WHEREAS, Santa Clara County relies on State Water Project (SWP) and Central Valley Project (CVP) water conveyed through the Sacramento-San Joaquin Bay-Delta (Delta) for 40 percent of its water supply on average; and

WHEREAS, imported water from the Delta and its watershed has played a significant role in recharging the County's groundwater basin, protecting against further land subsidence, and providing for the well-being of the citizens of Santa Clara County; and

WHEREAS, substantial local investments in water use efficiency and conservation, recycled water and groundwater management are essential but cannot cost-effectively replace imported water; and

WHEREAS, Valley Water has long been committed to sustained reliable water supplies as well as environmental stewardship; and

WHEREAS, if no action is taken, Valley Water's SWP and CVP supplies will be vulnerable to risks from declining ecosystem conditions, increasing regulatory restrictions, seismic risks, climate change and sea level rise, resulting in reduced water supply reliability for Santa Clara County; and

WHEREAS, the "Bay-Delta Plan" as proposed by the State Water Resources Control Board may materially cut water deliveries to the San Francisco Public Utility Commission served areas of Santa Clara County, potentially creating more demand upon Valley Water; and

WHEREAS, Governor Newsom, through the California Department of Water Resources (DWR) proposes to develop a single tunnel Delta Conveyance Project; and

WHEREAS, the Delta Conveyance Project is a critical component of the Governor's "balanced portfolio approach" to water, the State of California's blueprint for a "sustainable and resilient future"; and

WHEREAS, the Governor's Proposed Project has the potential to protect Valley Water's water supply reliability by upgrading aging infrastructure, thereby reducing the vulnerability of SWP and CVP water supplies to seismic events in the Delta and climate change impacts; and

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WHEREAS, the Governor's Proposed Project has the potential to improve access to transfer supplies and increase storage project yield while conveying water across the Delta in a way that is safer for the environment; and

WHEREAS, Valley Water supports the use of unionized labor and Project Labor Agreements (PLAs) to participate in the construction of the Governor's Proposed Project.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby find, determine, and order as follows:

1. Valley Water hereby declares its support for Governor Newsom in his development of a single tunnel Delta Conveyance Project (the Governor's Proposed Project) and adopts the Guiding Principles, attached hereto as Attachment 1, for Participation in the Governor's Proposed Project; and
2. Valley Water Directors and staff will use these Guiding Principles to shape Valley Water's participation in the Governor's Proposed Project, including evaluating the Governor's Proposed Project, identifying ways to meet Valley Water's goals, and shaping the project development and any agreements necessary to secure the conditions needed for Valley Water's continued participation and support.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on September 24, 2019:

AYES: Directors T. Estremera, J. Varela, N. Hsueh, B. Keegan, G. Kremen,
R. Santos, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: 

LINDA J. LEZOTTE
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC


Clerk, Board of Directors

ATTACHMENT 1

Guiding Principles for Participation in Governor Newsom's Proposed Delta Conveyance Project ("Governor's Proposed Project")

Guiding Principle #1 - Santa Clara County needs are the primary drivers in all our decisions involving the Governor's Proposed Project.

Fresno, Huron, Southern California, Discovery Bay, Rio Vista and other places in California have important desires, but providing safe, clean, affordable water for the people, businesses, wildlife and habitat of *Santa Clara County* is our primary focus.

Guiding Principle #2 - We will not allow Silicon Valley values and priorities to be placed at a disadvantage relative to Central Valley Agriculture or Southern California.

We support the Governor's Proposed Project in which all parties pay their fair share and avoid cost shifting to urban users.

Santa Clara County rate payers and / or taxpayers should *pay no subsidies* to Central Valley Agriculture or Southern California water users. If anyone pays less than Valley Water on a per acre-foot basis, their benefit from the Governor's Proposed Project should be less than Valley Water's benefit.

Guiding Principle #3 - We are advocating for a flexible approach that addresses Silicon Valley stakeholder and community input.

We take public input seriously, having had over 60 agenda items at properly noticed, public meetings on Delta Conveyance and Valley Water's water master supply plan alone (see Appendix A for a partial list of such meetings).

We support the Governor's Proposed Project that provides for environmental protections for the Delta, that is part of an overall State effort for a portfolio of science-based actions, and that takes into account climate change.

To quote from the recent *Baykeeper Issue Brief on the Delta Tunnels*:

"With a portfolio of science-based actions we can stabilize the Delta ecosystem to prevent fish extinctions while permitting sustainable water exports. Signs of hope and solutions include:

Reduction in tunnel scope to a single smaller tunnel. Several groups, including the Natural Resources Defense Council and the Public Policy Institute of California, have suggested that a single tunnel could help achieve the reliability and resiliency sought by water contractors while maintaining an engineered limit to diversions that would be less susceptible to over-extraction and abuse."

Additionally, to quote Governor: Newsom in his 2019 "State of the State" speech:

"That's why I do support a single tunnel."

"The status quo is not an option."

"We need to protect our water supply from earthquakes and rising sea levels, preserve delta fisheries and meet the needs of cities and farms."

"We have to get past the old binaries, like farmers versus environmentalists, or North versus South. Our approach can't be 'either/or.' It must be 'yes/and.'"

Given that Westlands Water District and certain other agriculture districts have declined to participate in the WaterFix project, we are supportive of a *lower-cost, scaled-down*, project relative to the previously planned California WaterFix. Other than one tunnel instead of two which is mandatory, we support considering an approach that incorporates the following objectives:

- a. A reduced intake volume from the original 9,000 cubic feet per second; and
- b. A reduced number of intakes on the Sacramento River; and
- c. A project that incorporates and ensures less impacts on fisheries and the environment relative to current operations; and
- d. Allows Valley Water elected officials to be actively involved as leaders in the governance of the Governor's Proposed Project to ensure the project is implemented appropriately and to prevent any Southern California or big agriculture water grab.

Any changes to the Governor's Proposed Project that diverge from this principle must be brought before the board before any final agreement is announced.

Guiding Principle #4 - As water is a human right, we must make investments to make sure our water supply meets future needs at a cost affordable by everyone.

Valley Water believes in an "all-of-the-above approach" to water supply. We have significant ongoing investments in water conservation. We are looking seriously at highly purified (drinkable) water, recycled water, storm water capture, rainwater capture, grey water usage, etc. We take into account the importance of local supplies and resiliency.

At the same time, the cost of water is an important consideration to our rate payers and we believe that water is a basic human right. Of the options that produce a significant quantity of supply, our imported supply is the lowest cost per unit source available to Valley Water, and the Governor's Proposed Project could help stabilize the increasing cost of our overall supply portfolio. The cost of water is a social justice issue; the Governor's Proposed Project would help keep down the cost of our water supply portfolio and make safe, clean water more affordable.

Consistent with this principle, our support of the Governor's Proposed Project is conditioned on the per acre-foot cost remaining similar to the prior estimates of per acre-foot cost for the California WaterFix, adjusted for the loss of scale inherent in one tunnel.

Guiding Principle #5 - Equity and costs are important.

Those communities and/or organizations that pay SWP property taxes (funds) and receive on average 85% of their water supply from sources other than Valley Water managed supplies will receive, directly or indirectly and not exceeding the amount of SWP property tax paid as estimated by Valley Water, those funds back in the form of additional, incremental, dedicated, segregated funds exclusively for water conservation programs, potable recycled water, non-potable recycled water (including salinity reductions), options to purchase wastewater, purified water, wastewater treatment plant environmental upgrades, Automatic Meter Infrastructure (AMI) updates, or dedicated environmental focused grants starting in FY 2019 until FY 2024. Upon Valley Water approval of award for a program within the FY 2019-2024 timeframe, the funds shall be reserved for the recipient, including interest earned, to reimburse eligible expenditures through FY 2033. To unlock these additional, incremental, dedicated funds, the communities and organizations will be required to make at least a 20% match of Valley Water's contribution (with no match required for facilities where Valley Water would have a long-term water supply contract or option for such). If an eligible agency has not gained Valley Water approval for a program by 6/30/2024, the dedicated, segregated funds go back to Valley Water by FY 2026.

Guiding Principle #6 - Any final arrangement must provide flexibility to acquire supplemental water by taking advantage of future wet years to ensure residents have a reliable water supply, no matter what extreme weather the changing climate brings.

Valley Water supports a participation approach, that would allocate the benefits and costs of the Governor's Proposed Project to Valley Water in proportion to its current 2.5% level of participation in the State Water Project ("SWP").

Given the uncertainty around Central Valley Project ("CVP") use of the facilities contemplated under the Governor's Proposed Project, Valley Water shall acquire an additional increment of SWP water supply benefit enabled by the Governor's Proposed Project that would offset projected declines in long-term CVP deliveries as well as strongly advocate for moving our current or future CVP supplies through the Governor's Proposed Project. This objective will lead to our participation in the Governor's Proposed Project for State Water Project deliveries at a higher percentage level than 2.5%.

Additionally, Valley Water shall commit to and/or purchase enough supplies from the Governor's Proposed Project to replace the projected deficit in current imported water supplies over time, and to ensure against future uncertainty. More specifically, we commit to securing sufficient supplemental water supplies if they become available at a reasonable price to avoid a deficit in our water supply, with potentially additional investments to provide insurance against future uncertainty. To optimize the benefits available through participation in the Governor's Proposed Project, we will also seek and evaluate additional storage opportunities.

If we do not act, given competition for limited water supplies in California, undoubtedly, water made available through improvements in the State Water Project and the Bay-Delta will instead go to Central Valley Agriculture and Southern California.

Guiding Principle #7 - Keep negotiating for the best deal for Santa Clara County.

Staff shall continue participating in planning discussions with State and federal agencies as well as other prospective Project participants to further define the project, and to develop agreements to secure the conditions needed for Valley Water's support.

Guiding Principle #8 – Public Engagement to be part of the Proposed Project.

Stakeholder engagement within the Delta as well as outside the Delta is paramount for the success of the proposed project; therefore public engagement throughout the duration of the project planning, design and construction is necessary by the Delta Conveyance Design and Construction Authority, Delta Conveyance Finance Authority as well as the California Department of Water Resources.

APPENDIX A
Valley Water Public Meetings Regarding Delta Conveyance

Board Agenda Items and Workshops

1. May 10, 2011 - Overview of Delta Issues
2. August 26, 2011 (Board Workshop)- Secretary of California Natural Resources Agency, John Laird, and several representatives of environmental groups discussed the ecosystem restoration goal of the BDCP.
3. October 14, 2011 (Board Workshop) - Deputy Secretary of the California Natural Resources Agency, Gerald Meral, and several general managers of California water agencies discussed the water supply reliability goal of the BDCP.
4. March 28, 2012 (Board Workshop) - Several elected officials and residents of Delta counties discussed the in-Delta perspective on BDCP, along with perspectives from Senior Policy Fellow at the Public Policy Institute of California, Ellen Hanak.
5. May 15, 2012 (Board Agenda Item)- Staff prepared a BDCP update following release of the preliminary administrative draft of the BDCP.
6. August 7, 2012 (Board Agenda Item) - Following the July 25th announcement by the Governor and Obama Administration on key elements of the BDCP proposed project, staff provided an update on the Bay Delta Conservation Plan and results of an opinion survey.
7. February 26, 2013 – (Board Agenda Item) Prior to the release of the second Administrative Draft of the BDCP, staff provided an update on the BDCP and established a Board Ad Hoc Committee to assist the Board with developing policies relating to the District's engagement in the BDCP.
8. October 11, 2013 (Board Workshop)- Director of California Department of Water Resources, Mark Cowin, Undersecretary of California Department of Food and Agriculture, Sandra Schubert, and Economist David Sunding provided an overview of BDCP in relation to other State planning efforts and discussed the statewide economic impacts and perspective on BDCP.
9. November 8, 2013 (Board Workshop) - California Department of Fish and Wildlife staff and several representatives of environmental and in-Delta interests discussed habitat restoration and conservation in the Delta and the perspectives of in-Delta users
10. November 13, 2013 (Board Workshop) - Director of Department of Fish and Wildlife Chuck Bonham, technical experts in Delta risks, and BDCP project managers discussed Delta risks, the relevance of BDCP to Delta fisheries, and plan components and analysis.

11. December 9, 2013 (Board Workshop) - Secretary of California Natural Resources Agency, John Laird and other invited guests provided perspectives on the importance of BDCP to the State, County and economy of Silicon Valley. Staff provided a preliminary analysis of BDCP benefits and costs to Santa Clara County
12. January 27, 2014 (Board Workshop) - Former Director of the San Francisco Public Utilities Commission's Water System Improvement Program, Julie Labonte, and President and CEO of Hallmark Group Capital Program Management, Chuck Gardner, described implementation of large water supply infrastructure construction projects.
13. May 27, 2014 (Board Agenda Item) - Following the five 2013–2014 District Board Workshops on BDCP, staff provided an update on Bay Delta Conservation Plan, a summary of the workshops, and responses to Board questions raised during and after the workshops
14. July 22, 2014 (Board Agenda Item) - Staff presented draft District comments on the Public Review Draft BDCP and its EIR/EIS and on the draft BDCP Implementing Agreement for Board review for consistency with Board Policy. Staff also presented an update on the BDCP and responses to additional Board questions.
15. September 23, 2014 (Board Agenda Item) - Staff responded to questions and concerns raised by Board Members and the League of Women Voters of California with various aspects of the BDCP
16. January 22, 2015 (Board Workshop) - Staff and a panel of invited guests described the BDCP adaptive management strategy and the current scientific understanding of habitat restoration in general as well as with respect to BDCP restoration actions.
17. May 26, 2015 (Board Agenda Item) - Staff provided an update on the BDCP and described the new approach proposed by the State to separately develop California WaterFix and EcoRestore.
18. October 27, 2015 (Board Agenda Item) - Staff provided an update on the BDCP and the re-circulated draft environmental documents including draft staff comments on the re-circulated documents.
19. January 26, 2016 (Workshop) - A panel of guests provided updated information and resource agency perspectives on the California WaterFix and California EcoRestore.
20. April 15, 2016 (Board Agenda Item) - Staff provided an overview of imported water and current issues
21. July 12, 2016 (Board Agenda Item) - Staff provided an updated business case analysis and a draft District policy statement for the State Water Board hearing on the petition to change the point of diversion for the SWP and CVP
22. September 27, 2016 (Board Agenda Item) - Update on Implementation of the 2012 Water Supply and Infrastructure Master Plan and Development of the 2017 Water Supply Master Plan (WSMP)

23. January 31, 2017 (Board Agenda Item) - Update on the 2017 Water Supply Master Plan and Potential Storage Options
24. March 14, 2017 (Board Agenda Item) – Review and confirm proposed Principles related to the Waterfix and receive WaterFix update
25. April 25, 2017 (Board Agenda Item) - Update on the 2017 Water Supply Master Plan and Alternative Water Supply Strategies
26. May 9, 2017(Board Agenda Item) – Updated information on the Delta Stewardship Council's Delta Plan, the District's CWF Principles relevant to the Delta Plan amendments
27. May 25, 2017 (Board Workshop) Guests Chuck Gardner, John Bednarski, Pat Pettiette, and Bob Goodfellow provide presentation on cost estimation, risk assessment and management, and cost control for the WaterFix
28. July 11, 2017 (Board Agenda Item) – Update on WaterFix and providing a schedule for future presentations through Fall 2017
29. August 22, 2017 – 1) Analysis of issues facing imported water supply reliability; 2) Update on WaterFix including proposed design and construction management and governance.
30. September 12, 2017 (Board Agenda Item) – California WaterFix water supply analysis, cost and water allocations, and financing.
31. October 17, 2017 (Board Workshop) – Conditional Support for California WaterFix
32. May 2, 2018 (Board Workshop) – Update on California WaterFix, Authorization to Execute Agreements, Designation of District Representative, and Adoption of CEQA Findings.
33. May 8, 2018 (Board Workshop) - Update on California WaterFix, Authorization to Execute Agreements, Designation of District Representative, and Adoption of CEQA Findings (Continued from May 2, 2018)
34. July 6, 2018 - (Board Agenda Item) Update on California WaterFix; Approve and Execute the Delta Conveyance Finance Authority Joint Powers Agreement; and Adopt a Resolution for approval of the Delta Conveyance Finance Authority Joint Powers Agreement.
35. August 14, 2018 (Board Agenda Item) - Update on California WaterFix to Execute agreement between the Department of Water Resources (DWR) and Santa Clara Valley Water District for the advance contribution of money to DWR for preconstruction planning costs for the California WaterFix.
36. January 22, 2019 (Board Agenda Item) – Receive an update on California WaterFix including updates on implementation and governance, regulatory processes, and various agreements.

37. August 13, 2019 (Board Agenda Item) -- Update on Delta Conveyance Project and Request for Board Direction on Participation in the Delta Conveyance Project

Ad Hoc and Advisory Committee Meetings

1. March 18, 2013 – BDCP – Initial meeting, discuss and define the BDCP Ad Hoc Committee’s purpose and intended outcome
2. April 9, 2013 – BDCP – 1) Review scope and purpose of the Committee; 2) Discuss the Delta Stewardship Council’s Delta Plan; 3) Overview of BDCP, Chapters 104; 4) Discuss the Natural Resource Defense Council’s proposed portfolio-based BDCP alternative
3. April 22, 2013 - BDCP – 1) Overview of BDCP, Chapters 104 (continued from 4/9/13); 2) Overview of BDCP, Chapters 5-7; 3) Discuss the Natural Resource Defense Council’s proposed portfolio-based BDCP alternative (continued from 4/9/13)
4. May 28, 2013 – BDCP – 1) Discussion of BDCP EIR/EIS alternatives; 2) Discussion of Conservation Measure 1 Construction Mgmt Structure; 3) delta Dialogues – Discussion Group; 4) BDCP Schedule and Board Workshops
5. June 25, 2013 – BDCP – 1) Overview and discussion of Chapters 8-10; 2) Discussion of Board member communication and outreach
6. August 22, 2013 – BDCP – 1) Overview of the role of science in Delta planning; 2) Schedule for Bay Delta issues and Board communication
7. October 9, 2013 – BDCP – 1) Overview of the Role of Science in Delta Planning (carryover from August 22, 2013 meeting); 2) Update on BDCP; 3) Schedule and future agendas
8. December 17, 2013 – BDCP – 1) Discuss 2013 Board Workshops on BDCP; 2) Discuss potential 2014 Board items; 3) Discuss next steps for public outreach and engagement
9. January 13, 2014 – BDCP – 1) Discuss 2013 Special Board Workshops on BDCP; 2) Report out by Committee members on BDCP and related issues
10. January 24, 2014 – BDCP - Discuss 2013 Special Board Workshops on BDCP (Continued from 1/13/14); 2) Report out by Committee members on BDCP and related issues
11. June 3, 2014 – BDCP – 1) Updates on the BDCP and BDCP EIR/EIS; 2) Report out by Committee members on BDCP and related issues
12. July 10, 2014 – BDCP - 1) Updates on the BDCP and BDCP EIR/EIS; 2) Report out by Committee members on BDCP and related issues
13. September 9, 2014 – BDCP – 1) Discuss staff responses to Board member questions on the BDCP; 2) Discuss staff responses to the BDCP comment letter from the League of Women Voters of CA; 3) Schedule for Board communication on BDCP
14. October 6, 2014 – Agricultural Water Advisory Committee (BDCP Update)

15. May 13, 2015 – BDCP – 1) Update on BDCP; 2) Election of Chair and Vice Chair; 3) Report out by Committee members on BDCP and related issues
16. October 5, 2015 – Agricultural Water Advisory Committee (BDCP Update)
17. October 13, 2015 – BDCP – 1) Update on BDCP and the recirculated draft environmental documents; 2) Report out by Committee members on BDCP and related issues
18. November 24, 2015 – BDCP 1) Update on WaterFix Business Case; 2) Report out by Committee members on BDCP and related issues
19. February 22, 2016 – BDCP 1) Update on Waterfix Business Case; 2) Update on the Design Construction Enterprise and related agreements; 3) Draft Policy Statement for State Water Resources Control Board proceedings
20. April 4, 2016 – Agricultural Water Advisory Committee (BDCP Update)
21. June 21, 2016 – BDCP – Update on WaterFix
22. October 3, 2016 – Agricultural Water Advisory Committee - Water Supply Update, including WSMP
23. October 17, 2016 – Environmental & Water Resources Committee - Water Supply Update, including WSMP
24. October 25, 2016 – BDCP – Update on WaterFix, EcoRestore and other Delta planning efforts
25. October 26, 2016 – Santa Clara Valley Water Commission - Water Supply Update, including WSMP
26. November 8, 2016 - BDCP disbanded
27. January 17, 2017 – Joint Board meeting with Open Space Authority - WSMP Update
28. April 12, 2017 – Santa Clara Valley Water Commission - 2017 WSMP Update
29. August 2, 2017 – Agricultural Water Advisory Committee – Update on California WaterFix
30. August 2, 2017 - Joint Water Resources Committee (South County) – Update on WaterFix
31. August 16, 2017 – Environmental & Water Resources Committee – Update on Cal WaterFix
32. August 25, 2017 – Santa Clara Valley Water Commission – Update on Cal WaterFix

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