

Via E-mail: CWFhearing@waterboards.ca.gov

July 21, 2016

Ms. Felicia Marcus, California WaterFix Co-Hearing Officer
Ms. Tam Doduc, California WaterFix Co-Hearing Officer
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Subject: California WaterFix Hearing Policy Statement

Dear Ms. Marcus and Ms. Doduc:

The Santa Clara Valley Water District (District) is pleased to provide the following policy statement on the California WaterFix Hearing.

The District is the primary wholesale water supply agency for Santa Clara County, serving close to two million residents and the vital high-tech economy of "Silicon Valley". On average, more than half of the County's annual water supply is imported from the Bay-Delta watershed through the State Water Project (SWP), the federal Central Valley Project (CVP), and the San Francisco Public Utilities Commission's Hetch-Hetchy project. The District's Water Master Plan includes substantial local investments in water use efficiency and conservation, recycled water, and groundwater management. However, these measures alone will not replace imported water, nor avoid future water shortages. As such, ensuring the reliability of the County's water supply depends on protecting and restoring the Delta as the hub of the state's major water supply projects. Consequently, the District maintains a high level of engagement with respect to Bay-Delta processes, and is particularly interested in the WaterFix project and the petition before the State Water Resources Control Board (State Water Board).

Since 2006, the District has joined other public water agencies to participate in the State's planning efforts for the Bay Delta Conservation Plan, and now the California WaterFix. Without a long-term, comprehensive solution, Delta species will continue to decline and our water supplies will remain highly vulnerable to climate change, sea level rise, and levee instability. We are particularly seeking a comprehensive solution that addresses all factors, flow and non-flow, currently affecting the Delta. The District supports environmental restoration and protection, including the State's EcoRestore program, and any other programs or actions that will improve the overall Delta ecosystem. The District's desired outcome is a cost-effective, comprehensive and reliable long-term solution for the Delta that meets the water supply, water supply reliability and water quality needs of Santa Clara County, while balancing other beneficial uses and providing a sustainable Delta ecosystem.

The District's Board of Directors continues to evaluate the WaterFix and is considering not only ecosystem and water supply benefits, but also whether the balance of the WaterFix's costs and benefits weighs in favor of the District's customers and ratepayers. Processes, such as this

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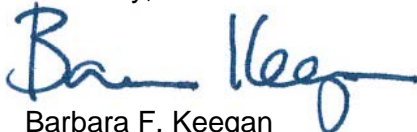
hearing, play a critical role in helping to define the merits of the WaterFix, and determining whether the project is indeed viable.

To that end, the District urges the State Water Board to consider the following points when weighing the arguments and evidence that will be presented during this hearing, and making a decision on the petition:

1. The WaterFix should not be viewed as the single solution to the Delta's troubles. Instead, it should be viewed as an important part of a comprehensive solution. It is a proposed fix to the water conveyance system that has long been considered unsustainable. Thus, from a public interest perspective, the question is not whether the WaterFix can solve all the problems, but whether it can help alleviate some of the problems and contribute to a comprehensive solution that will achieve the State's coequal goals of protecting, restoring, and enhancing the Delta ecosystem, and providing a more reliable water supply for California .
2. The State Water Board plays a critical role in determining whether the project can ultimately proceed. The Board's decision will affect whether the costs and benefits of the project will make sense for the water agencies that may be paying for it.
3. The quality of life and economy for the people and businesses of Silicon Valley would not be possible without imported water. Since the 1960s, imported water has helped meet the needs of growing communities, built groundwater reserves, prevented saltwater intrusion and halted land subsidence. Water exported through the Delta is critically important not only to southern California and agriculture in the Central Valley, but also to the communities and businesses of Santa Clara County.

The WaterFix has the potential to help improve the environmental health of the Delta and bolster the reliability of the state and federal water projects, which provide tremendous benefits to our region. The District is exploring alternative investments including the WaterFix to improve Santa Clara County's supply reliability and supports the State Water Board's consideration of the WaterFix petition in the context of the broad range of stressors affecting the Delta ecosystem, and in recognition of the need to balance beneficial uses. The State Water Board's decisions will be important in framing the potential effectiveness of the WaterFix as the District looks to make investment decisions that will secure our water supply and benefit our region for generations to come.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara F. Keegan".

Barbara F. Keegan
Chair/Board of Directors

cc: Board of Directors (7)
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