

## **Board Policy and CEO Interpretations Related to the Imported Water Program**

Board Governance Policy provides the following guidance for implementing the Imported Water Program

### *Global Policy*

GP-1: The purpose of the Board, on behalf of the people of Santa Clara County, is to see to it that the District provides Silicon Valley safe, clean water for a healthy life, environment, and economy.

### *Ends Policies*

E-2: There is a reliable, clean water supply for current and future generations

#### Strategies:

*S 2.4. Develop water supplies designed to meet at least 100 percent of average annual water demand identified in the District's Urban Water Management Plan during non-drought years and at least 90 percent of average annual water demand in drought years.*

*S 2.5. Engage, educate, and advocate with federal, state, regional and local agencies, and the water retailers on the delivery of a reliable and clean water supply.*

- E-2.1: Current and future water supply for municipalities, industries, agriculture and the environment is reliable.
  - E-2.1.3: Protect, maintain and develop imported water.

#### Outcome Measures:

*OM 2.1.3.a. 100% of imported water identified in annual operations plan delivered to County to meet annual water needs.*

#### Strategies:

S.2.1.3.1: Develop and maintain imported water contracts and water management partnerships.

S.2.1.3.2: Aggressively pursue the Delta solution to achieve the coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem, all in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place.

CEO Direction:

D 2.1.3.2.a. The District's desired outcome is a cost-effective, comprehensive, 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.

D 2.1.3.2.b. The District supports moving forward with environmental review and feasibility studies for a long-term Delta solution, including analyses of a dual Delta conveyance and a full range of isolated facility sizes.

D 2.1.3.2.c. Continuing to rely solely on existing through-Delta conveyance for the District's imported water supplies is not acceptable because of the instability of existing Delta levees, underlying seismic risks, increasing threats of altered hydrology and sea level rise due to climate change, and ongoing regulatory uncertainty and concerns over the environmental health of the Delta.

D.2.1.3.2.d. The long-term Delta solution should promote a resilient Delta ecosystem by basing all actions on sound science and addressing the full range of environmental stressors, including toxics, invasive species, and all watershed diverters.

*Executive Limitations*

EL-4: Financial planning for any fiscal year shall be aligned with the Board's Ends, not risk fiscal jeopardy, and be derived from a multi-year plan. With respect to the actual, ongoing financial condition and activities, the BAOs shall provide for the development of fiscal sustainability.

- EL-4.2: The Board Appointed Officer shall "spend in ways that are cost-efficient."
  - I-EL-4.2.a. Costs of the long-term Delta solution should be allocated equitably.
  - I-EL-4.2.b. The District favors a flexible approach to cost allocation that maximizes the opportunity for discretionary allocations of cost based on incremental benefits.

EL-5: With respect to purchasing and contract activities, use a fair, open and expeditious process and stay within the Board's authorized expenditures.

- EL-5.1: A BAO shall not make a single purchase, contract, 3rd party claim settlement of liability, or any other financial commitments in amounts greater than the following, unless authorized by the Board:
  - EL-5.1.6.: For Imported Water Management Contracts—No limit; the CEO will inform the Board on a timely basis of Imported Water Management Contracts executed.

- EL-5.3: A BAO shall not make a single purchase, contract, or any other financial commitment without a competitive procurement process, unless authorized by the Board or one of the following exemptions is applicable:
  - EL-5.3.3.: Financial commitments resulting from imported water management agreements, so long as the CEO informs the Board of the commitment on a timely basis.

EL-6: The BAOs shall protect and adequately maintain corporate assets.

- EL-6.5: Protect water rights and rights of way.
  - I-EL-6.5.b.: Meet all water contract terms and conditions, and take action as needed to protect and preserve water contract rights and benefits.
    - I-EL-6.5.b.i.: Governance structures and operating agreements related to the long-term Delta solution must provide the ability to protect the value of the District's imported water assets, including water supply and banking contracts.

EL-7: The BAOs shall inform and support the Board in its work.

- EL-7.3.: Inform the Board of the intent to undertake negotiation of any imported water management agreement connected with proposed land development or involving a private or non-governmental party and keep the Board informed of imported water management activities on an ongoing basis.
  - I-EL-7.3.a.: Provide at least quarterly updates to the Board on imported water management activities, including forecasts of water transfers or other imported water management agreements, and provide confirmation of executed agreements within one month of completion.
- EL-7.4: Marshal for the Board as many employee and external points of view, issues and options as needed for fully informed Board choices.
  - I-EL-7.4.a.: Notify public of Board meetings, workshops, and committees.

**THIS PAGE INTENTIONALLY LEFT BLANK**