

ATTACHMENT 6

Evaluation of Board's Guiding Principles for Participation in the California WaterFix

Guiding Principle 1: “Santa Clara County needs are the primary drivers in all our decisions involving the WaterFix Project”

Principle Element	How Principle is Addressed	Satisfied?
Safe water for Santa Clara County	Participation reduces vulnerability to seismic events and climate change; project conveys water across the Delta in a manner safer for the environment.	Yes, achieved with reliability and flexibility of WaterFix
Clean water for Santa Clara County	Participation would reduce salinity of imported water by approximately 20% which will improve groundwater quality in Santa Clara County.	Yes, achieved through water quality benefits.
Affordable water for Santa Clara County	Staff recommendation includes participation in SWP and an option for District's Central Valley Project (CVP) supplies to minimize near-term expenses. At this level of participation, staff analysis indicates WaterFix is among the most cost-effective options available to Santa Clara County.	Yes, still one of the least expensive supplies.

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”

Principle Element	How Principle is Addressed	Satisfied?
Pay Fair Share	All State Water Project (SWP) and Central Valley Project (CVP) participants will pay their fair share. Central Valley agriculture and Southern California will pay their fair share.	Yes, achieved with beneficiary pays approach
No Subsidies	Agreements and finance structure will ensure District does not pay other project participants' costs.	Yes, will be achieved through agreements
Receive All Benefits “me too”	SWP – receive identical benefits based on contracts with Department of Water Resources (DWR). CVP – capacity interest option agreement to provide for purchase with “me too” provisions.	Yes, achieved through SWP contract and option agreement

Guiding Principle 3: “We are advocating for a flexible approach that addresses Silicon Valley stakeholder and community input”

Principle Element	How Principle is Addressed	Satisfied?
Lower-Cost, Scaled-Down, and Staged Project Consistent with Existing EIR	The State proposed and analyzed staged project; Governor ultimately decided full project is best and urged MWD to support the full project consistent with existing EIR. MWD decision reduces financing risks and increases District participation options.	Changed conditions. Per Principle 3, this has been brought back to the Board for consideration
SCVWD Strong Leadership Role in Governance	Design and Construction Authority (DCA) includes District as governing board member, specifically as Chair and Vice Chair in governance structure during rotating terms. District also secured role of Chair/Vice Chair of Environmental Compliance & Mitigation Committee.	Yes, per authority agreements
Less Impacts to Fisheries and Environment	District championed and won the inclusion of Environmental Compliance & Mitigation Committee within the DCA. WaterFix design and operation reduces entrainment and produces more natural flows.	Yes, as a power of the DCA and the design of the Project

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”

Principle Element	How Principle is Addressed	Satisfied?
“All-of-the-Above Approach”	District continues to pursue a portfolio of water investments including highly purified (drinkable) water, recycled water, storm water capture, rain water capture, and grey water.	Yes, per District’s Water Supply Master Plan and CIP
Cost of Water is an Economic Justice Issue	Lower cost and higher water yield of WaterFix relative to local water supply alternatives helps keep Santa Clara County’s water supply portfolio costs down.	Yes, per District’s Water Supply Master Plan
WaterFix Per Acre-Foot Costs Remain Similar to Current Estimates	The per acre-foot costs for a 6,000 cfs staged and 9,000 cfs are similar at approximately \$600 per acre foot.	Yes, unit cost is still one of the lowest cost water supplies

Guiding Principle 5: “Equity and costs are important”

Principle Element	How Principle is Addressed	Satisfied?
Communities Receiving 85% of Water Supply from Sources other than District Receive Funds Back	Staff has budgeted funds in FY 2019-2024 in the form of additional water programs for those communities with a 20% match required.	In progress, per budget and future adoption

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”

Principle Element	How Principle is Addressed	Satisfied?
Support Participation at 2.5% SWP	Staff has brought forward a recommendation to participate in 2.5% of SWP share.	Yes, attached resolution
Ensure District’s CVP Reliability through WaterFix	CVP Option Agreement will secure a spot for District’s CVP participation in project.	Yes, per option agreement
Secure Enough Supplies to withstand Climate Change and other Uncertainties	Staff recommends pursuing long term water transfers and storage opportunities related to WaterFix to address climate change and other uncertainties, including CVP reliability.	Yes, per Board memo

Guiding Principle 7: “Keep negotiating for the best deal for Santa Clara County”

Principle Element	How Principle is Addressed	Satisfied?
Keep Engaging with State and Federal Agencies	Staff recommends participation in Design and Construction Authority (DCA) and continuing discussions with U.S. Bureau of Reclamation and DWR.	Yes, and ongoing
Keep Engaging with Prospective WaterFix Participants	SCVWD have been cooperatively working with a number of public water agencies.	Yes, and will continue
Develop Agreements to Secure District’s Support	See attached DCA agreement and CVP Option Agreement. Additional agreements forthcoming in the future.	Yes, per Board memo

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