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**File No.:** 18-0369

**Agenda Date:** 5/2/2018

**Item No.:**

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## SUPPLEMENTAL BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Update on the California WaterFix, Authorization to Execute Agreements, Designation of District Representative, and Adoption of CEQA Findings

### **REASON FOR SUPPLEMENTAL MEMORANDUM:**

This memorandum conveys additional information received after the initial memorandum was released, consistent with Executive Limitations Policy EL-7-10-5, which allows for additional information received after the initial report was released to be provided less than 10 days prior to the date of the board meeting.

### **RECOMMENDATION:**

- A. Receive an update on the California WaterFix (WaterFix);
- B. Consider the potential environmental effects of the project as discussed in the Lead Agency's Final Environmental Impact Report and adopt the Resolution, MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO AUTHORIZE EXECUTION OF AGREEMENTS RELATING TO DESIGN, CONSTRUCTION, AND FINANCING OF THE CALIFORNIA WATERFIX PROJECT;
- C. Consider the potential costs and benefits of the WaterFix to Santa Clara County and adopt the Resolution, AUTHORIZING SUPPORT OF, AND PARTICIPATION IN, CALIFORNIA WATERFIX;
- D. Approve and Authorize the Chief Executive Officer (CEO) to execute a Capacity Interest Option Agreement with Metropolitan Water District of Southern California that is in substantial conformance with the Capacity Interest Option Agreement provided in Attachment 1;
- E. Approve and authorize the Board to execute a Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority (Design and Construction JPA) that is in substantial conformance to the agreement provided in Attachment 2, and designate a District representative and alternate to serve on the Board of Directors of the Design and Construction JPA for the first two years following formation;
- F. Direct the CEO to negotiate terms and conditions for the District to participate in the WaterFix Financial Arrangements (See section 4.3), including a joint powers authority for financing

construction of the WaterFix and bring the necessary agreements to the Board for approval;

- G. Delegate authority to the CEO to negotiate terms and conditions and execute an agreement between the Department of Water Resources and the District for preconstruction capital costs for the WaterFix for a District contribution of up to \$3.5 Million (Gap Funding Agreement);
- H. Direct staff to continue participating in WaterFix discussions to further develop agreements and contract amendments to protect the District's investment; and
- I. Direct staff to evaluate and negotiate long term water transfers, water supply alternatives and storage opportunities related to WaterFix, and bring terms and conditions to Board for consideration.

**SUMMARY:**

The Resolution titled Making Responsible Agency Findings Pursuant to the California Environmental Quality Act to Approve Agreements Relating to the California WaterFix Project (Attachment 8) has been revised to reflect the agreements being brought forward for the board's consideration at the May 2, 2018 board meeting.

**FINANCIAL IMPACT:**

No changes to the financial impact previously reported.

**CEQA:**

No changes to the CEQA information previously reported.

**ATTACHMENTS:**

Supplemental Attachment 1: Revised CEQA Resolution (Revised Attachment 8)

**UNCLASSIFIED MANAGER:**

Garth Hall, 408-630-2750