

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

RESOLUTION NO. 18-

**APPROVAL OF THE DELTA CONVEYANCE FINANCE AUTHORITY
JOINT POWERS AGREEMENT**

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

WHEREAS, the California Department of Water Resources ("DWR") proposes to construct the California WaterFix, a project that could potentially protect the District'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

WHEREAS, the California WaterFix has the potential to sustain reliable access to the District's imported water supplies and increase the yield of storage projects the District may develop or participate in, while conveying water across the Delta in a way that is safer for the environment; and

WHEREAS, on May 8, 2018, the District Board voted to participate in the California WaterFix; and

WHEREAS, on July 6, 2018, the District Board considered a Delta Conveyance Finance Authority Joint Powers Agreement ("Finance JPA Agreement") that will govern the operations of the Delta Conveyance Finance Authority ("Finance Authority"); and

WHEREAS, it is intended that the Finance Authority, in exercising its powers, will serve as an issuer of bonds for the benefit of its members in implementing the California WaterFix; and

WHEREAS, the Board's approval of the Finance JPA Agreement, in and of itself, does not impose any financial commitment on District; but instead, the financial commitments of the District and any other member agencies of the Finance Authority will be the subject of further negotiations among the member agencies and the Finance Authority prior to the first bond issuance by the Finance Authority; and

WHEREAS, per Section 15 of the Finance JPA Agreement, any Public Water Agency (as that term is defined in the Finance JPA Agreement) may within five months of the effective date of the Finance JPA Agreement become a member of the Finance Authority if the governing body of that Public Water Agency adopts a resolution (at or before the time it executes the Finance JPA Agreement) that: (i) either authorizes such Public Water Agency to financially support any Bonds issued by the Finance Authority or expresses an intention of that Public Water Agency to provide such financial support at a later date; and (ii) approves the execution by such Public Water Agency the Finance JPA Agreement; and

WHEREAS, the Board desires to approve the execution of the Finance JPA Agreement; and

WHEREAS, the Board desires to express its intention to support bonds issued by the Finance Authority at a later date; and

WHEREAS, it is the Board's expectation that any financial commitment by the District of any bonds issued by the Finance Authority, including the terms and conditions of such commitments, be brought to the Board for its consideration and approval.

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. That the District Board approves execution of the Finance JPA Agreement, in substantially the same form as the Finance JPA Agreement presented to the Board on July 6, 2018, with such changes, additions or deletions as are approved by the District's Chief Executive Officer or her designee with her or the designee's execution of the Finance JPA Agreement conclusively evidencing approval of such changes, additions or deletions; and
2. That the District Board hereby expresses its intention to support bonds issued by the Finance Authority at a later date; and
3. That any financial commitment by the District to support any bonds issued by the Finance Authority be brought to the Board for its consideration and approval.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on July 6, 2018:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors

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