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May 15, 2019

The Honorable Wade Crowfoot Secretary California Natural Resources Agency 1416 Ninth Street, Suite 1311 Sacramento, CA 95814

Re: Delta Conveyance Finance Authority, Delta Conveyance Design and Construction Authority

Dear Secretary Crowfoot:

We look forward to meeting with you and Kathryn Mallon on June 19, 2019 to discuss the need for transparent processes around the operations of the Delta Conveyance Finance Authority, and the Delta Conveyance Design and Construction Authority.

I am writing today to respectfully request that you urge the DCFA and DCA to hold off from voting on all items listed on their meeting agendas for May 16, 2019 until your separately scheduled June meetings, first with the Delta Counties Coalition, and then with Restore the Delta, regarding JPA issues have been completed. Their agendas can be found here.

We are concerned that the scheduled votes will set the DCA as the lead agency, rather than the Department of Water Resources, for planning efforts around new conveyance. We find this potential shift in lead agency status troubling for several reasons. First, with the Department of Water Resources announcement on May 2, 2019, DWR made a promise of new environmental review for the new conveyance project. We cannot find in the statements released to the public on that date or on DWR's website any intent or reasonable inference that the administration intends for this new environmental review to be executed by the water exporters through the joint powers authorities. If water exporters were given the authority to lead the environmental review process for new conveyance, it could be seen by Delta residents as a fox guarding a hen house type of scenario, especially without outreach and sound, broad public processes put into place first. Even then, such a transfer of authority from DWR, which is mandated to work on behalf of all Californians, could be problematic because there is not representation within the JPAs by impacted Delta parties.

In addition, in the Questions and Answer Release put forth by the Department of Water Resources with the May 2nd announcement, DWR <u>writes</u>, "The Department of Water Resources (DWR) will begin a new environmental process in compliance with CEQA and will ensure that process is open to public engagement. Local input and active engagement will be critical to ensuring a solution that meets the project objectives." Presently, neither joint powers authority is set up to lead processes open to public engagement. Forums, video broadcasting, timely and full document releases have not been set in place for collaboration with local Delta residents.

Moreover, as the DCA and DCFA were created as entities after votes taken by the boards of directors for participating water districts, and supporting votes by Metropolitan Water District member agencies, that set the terms and conditions of the WaterFix project, we maintain that changes in the project need to reconsidered by member water districts with the input of their water ratepayers. As documented in my testimony to the State Water Resources Control Board for Part II of the Water Rights Change Petition for California WaterFix, various promises were made by Metropolitan Water District managers to various member agencies and municipalities regarding who would pay for the project and who would receive water from any new conveyance. Without some sort of process for MWD ratepayers, especially members of Southern California environmental justice communities, to learn of changes to those previous promises and claims, there will be no transparency as to what the project will deliver to Southern California water users and for what costs. Southern California environmental justice communities struggling presently with water affordability and local water quality need to have a collaborative role and voice in water planning as put forth by Metropolitan Water District and the Design Construction Authority.

Third, we anticipate that a detailed letter will be sent to you today by the Delta Counties Coalition describing how the proposed actions to be taken by the DCA and DCFA at their May 16th meetings will be in conflict with CEQA guidelines and rules. Generally speaking, we understand that the DCA and DCFA all relied on the Environmental Impact Report certified by DWR in 2017, in addition to DWR's project approvals, and other permits such as the CESA Incidental Take Permit. Since the EIR was decertified and the project approvals rescinded, it is questionable under what authority actions can be undertaken by either joint powers authority. We have been advised that neither the DCA nor DCFA can rely on the EIR to analyze their discretionary decisions, which are projects under CEQA. While some planning processes can be exempt from CEQA, separating them as exemptions from CEQA would raise concerns in the Delta community regarding piecemealing of the project, which has been an ongoing concern of Delta interests in the creation of WaterFix.

While Restore the Delta maintains that new conveyance processes should be led by the Department of Water Resources rather than the DCA, if the DCA were to become the lead agency, then the points we raised above would need to be answered and addressed first, in addition to other items we would prefer to discuss in person at our scheduled June 19th meeting, for Restore the Delta to feel comfortable with a new and transparent process to address the conveyance issue. Our sincere intent is to see this process unfold correctly to support the goals of transparency and collaboration for the benefit of all California water users. The present actions to be taken by the DCA and DCFA at the May 16th meetings are in our estimation premature and are contrary to the goals articulated by DWR earlier this month.

Thank you for considering our comments. If I can answer any questions or be of assistance, please let me know.

Sincerely yours,

Barbara Barrigan-Parrilla Executive Director Restore the Delta

Cc: Kathryn Mallon, DCA Karla Nemeth, DWR Supervisor Don Notolli, DCC