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**SB 204 (Dodd): Delta Conveyance
OPPOSE UNLESS AMENDED**

**Senate Natural Resources and Water Committee
Date of Hearing: March 12, 2019**

March 1, 2019

The Honorable Bill Dodd
California State Senate
State Capitol, Room 4032
Sacramento, CA 95814

Re: SB 204: Delta Conveyance: **OPPOSE UNLESS AMENDED**
Senate Natural Resources and Water Committee – March 12, 2019

Dear Senator Dodd:

On behalf of the signatories noted below, we respectfully oppose your bill, SB 204, unless amended to address the concerns identified below. While we understand your interest in further transparency and sharing of information regarding future State Water Project contract amendments, some sections of the bill would significantly delay action to find a conveyance solution in the Delta or in modifying the SWP contracts in a way that meets the needs of our people, economy, environment, and farms.

SB 204 would add a section to the Government Code requiring that the Delta Conveyance Design and Construction Authority (DCA) submit 60 days in advance the terms and conditions of any contract for planning, design, and construction to the Joint Legislative Budget Committee (JLBC) and relevant policy and fiscal committees. Furthermore, the measure states IF the JLBC or relevant policy committees hold a hearing to review a contract, the contract may not be approved for 90 days until after the first review hearing is scheduled. There is no specific language to determine the course of action if a hearing is not held.

This addition to the Government Code would significantly and unnecessarily delay any action on California WaterFix moving forward and would increase costs to implement the project by creating excessive delays in the contracting process. Governor Newsom, in his State of the State, expressed his administration's support for a one-tunnel project, and work is beginning on a refined project that will meet the objectives of water supply reliability and ecosystem restoration. Sections 6255.5 (b) and (c) would compromise efforts to move forward with the project in an efficient manner by making competitive bids of a construction contract essentially impossible, as it would require contractors to keep bid prices viable for a minimum of 150 days. A contractor could decide to inflate prices to compensate for the delay and uncertainty in the process, thereby undermining state contracting practices to hire the most qualified contractor and negotiate a competitive price. Furthermore, if no hearings are scheduled, it is unclear if the contracts could be approved, thus delaying or preventing implementation of California WaterFix.

Last year, the Joint Legislative Budget Committee sought to bring greater transparency to the State Water Project's long-term contract extensions, and an informational hearing was held on September 11, 2018. We support efforts to bring further transparency to any future amendments to the State Water Project contracts and construction of California WaterFix. That can be done by providing information and testimony during informational hearings, not by creating open-ended processes that could create unnecessary delays and increased costs.

Opposition Letter to SB 204 (Dodd)

March 1, 2108

There is overwhelming scientific and policy evidence, developed over the course of more than a dozen years of study and analysis by state and federal agencies that California needs to move rapidly to modernize its water conveyance system to ensure water reliability for millions of Californians, farmers, and the environment. SB 204 is not the answer.

If you have any questions regarding our position on the measure, please do not hesitate to contact Kathy Viatella at The Metropolitan Water District of Southern California at kviatella@mwdh2o.com or by phone at (916) 650-2614.

Thank you for your consideration.

Sincerely,

<p>Jeff Kightlinger <i>General Manager</i> Metropolitan Water District of Southern California</p>	<p>Nina Jazmadarian <i>General Manager</i> Foothill Municipal Water District</p>	<p>David W. Pedersen, P.E. <i>General Manager</i> Las Virgenes Municipal Water District</p>	<p>Susan Mulligan, P.E. <i>General Manager</i> Calleguas Municipal Water District</p>
<p>Paul Jones, II <i>General Manager</i> Eastern Municipal Water District</p>	<p>Kirby Brill <i>Interim General Manager</i> Inland Empire Utilities Agency</p>	<p>John D. Vega <i>General Manager</i> Elsinore Valley Municipal Water District</p>	<p>Paul E. Shoenberger, P.E., <i>General Manager</i> Mesa Water District</p>
<p>Tom A. Love <i>General Manager</i> Upper San Gabriel Valley Municipal Water District</p>	<p>Jessica Lall <i>President & CEO</i> Central City Association of Los Angeles</p>	<p>Matthew Litchfield <i>General Manager</i> Three Valleys Municipal Water District</p>	<p>Curtis Creel <i>General Manager</i> Kern County Water Agency</p>
<p>Dwayne Chisam <i>General Manager</i> Antelope Valley-East Kern Water Agency</p>	<p>Dale K. Melville <i>Manager-Engineer</i> Dudley Ridge Water District</p>	<p>Jennifer Pierre <i>General Manager</i> State Water Contractors, Inc.</p>	<p>Ray Stokes <i>Executive Director</i> Central Coast Water Authority</p>
<p>Jim Barrett <i>General Manager</i> Coachella Valley Water District</p>	<p>Douglas Headrick <i>General Manager</i> San Bernardino Valley Municipal Water District</p>	<p>Darin Kasamoto <i>General Manager</i> San Gabriel Valley Municipal Water District</p>	<p>Matt Stone <i>General Manager</i> Santa Clarita Valley Water Agency</p>

<p>Mark S. Krause <i>General Manager</i> Desert Water Agency</p>	<p>Robert Shaver <i>General Manager</i> Alameda County Water District</p>	<p>Tom McCarthy <i>General Manager</i> Mojave Water Agency</p>	<p>Craig Miller <i>General Manager</i> Western Municipal Water District</p>
<p>Steve Popelar <i>Director of Finance & Administration</i> Jurupa Community Services District</p>	<p>Gene Wunderlich <i>Vice President of Government Affairs</i> Southwest Riverside County Association of Realtors®</p>	<p>Valerie Nera <i>Policy Advocate</i> Cal Chamber</p>	<p>Robert Reeb <i>Executive Director</i> Valley Ag Water Coalition</p>
<p>Norma Camacho <i>Chief Executive Officer</i> Santa Clara Valley Water District</p>	<p>Brian A. Dickinson <i>General Manager</i> Water Department City of Compton</p>	<p>Gail Delihant <i>Director</i> Western Growers Association</p>	<p>Stuart Waldman <i>President</i> Valley Industry & Commerce Association</p>
<p>Alice Sullivan <i>President & CEO</i> Temecula Valley Chamber of Commerce</p>	<p>Tony Stafford <i>General Manager</i> Camrosa Water District</p>	<p>Tom Flavin <i>Chief Executive Officer</i> Burbank Chamber of Commerce</p>	<p>Michele Newell <i>Board Chair</i> VCEDA</p>
<p>Samantha Shapiro <i>Executive Assistant/ Government Relations Coordinator</i> Simi Valley Chamber of Commerce</p>	<p>John Bosler <i>General Manager</i> Cucamonga Valley Water District</p>	<p>Peggi Hazlett <i>President/CEO</i> Ontario Business Council</p>	

cc: Members of the Senate Natural Resources and Water Committee
Dennis O'Connor, Principal Consultant, Senate Natural Resources and Water Committee
Todd Moffitt, Policy Consultant, Senate Republican Caucus