

**DEPARTMENT OF WATER RESOURCES**

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To: State Water Project Contractors

Subject: New Delta Conveyance Planning Activities

On April 29, 2019, Governor Newsom announced a major new initiative for water, including how to make California's water supplies more climate resilient for people and the environment. This strategy includes modernizing the State Water Project's infrastructure and careful consideration of a strategically designed single tunnel to deliver water through the Delta.

This water policy vision for California reinforces the need to modernize our water supply infrastructure. The State Water Project in particular must be updated to respond to climate change, protect against potentially calamitous effects of an earthquake, and reliably, safely, and cost-effectively serve two-thirds of all Californians and hundreds of thousands of acres of agricultural lands.

Governor Newsom's policy directive provides DWR with an opportunity to take a fresh look at Delta conveyance and to advance a project with a renewed focus. The Newsom Administration has high esteem for the good work that has been done to help solve the problems facing the state's water system, and the Administration brings a new vision to modernize the Delta in a way that is coordinated with other water actions. This approach provides the greatest opportunity to deliver a cost-effective project informed by multiple stakeholder input and careful environmental review.

To align our work with the Governor's vision for Delta conveyance, I have issued a project memorandum today that withdraws the approval of the California WaterFix Project and rescinds the accompanying notice of determination (NOD) that was filed pursuant to the requirements of the California Environmental Quality Act (CEQA) with the State Clearinghouse on July 21, 2017. I also rescinded the adoption of the findings of fact, statement of overriding considerations, and mitigation monitoring and reporting program that accompanied approval of the California WaterFix Project on July 21, 2017. Although DWR stands behind the science that supported the analysis in the Final EIR and the finding that the Final EIR was completed in compliance with CEQA, I withdrew the accompanying certification of the California WaterFix Final Environmental Impact Report (EIR) because there is no longer an underlying project approval for which the Final EIR was reviewed and considered. Because of the withdrawal of the WaterFix Project approval and rescinding the NOD, all other DWR approvals related to the California WaterFix Project, based on the NOD filed on July 21, 2017, were rescinded.

The project memorandum also announces that DWR will develop a Notice of Preparation (NOP) under CEQA to begin a new transparent environmental review process in compliance with CEQA. The NOP will emphasize proposals to address climate change resiliency and protect the State Water Project Delta conveyance from earthquake risk, in consideration of a one tunnel conveyance facility consistent with Governor Newsom's Executive Order N-10-19. As DWR embarks on a new environmental review process and pursues new environmental permits, it will do this in tandem with design and engineering work needed. This work will occur in close partnership with the State Water Project Contractors (Contractors) funding the project. This approach provides the greatest opportunity to deliver a project ready for construction with minimal delay. It also allows for a more realistic understanding of potential impacts and mitigation that can be incorporated through careful project planning and design, consistent with CEQA.

While a new planning effort may make use of past studies and analyses, new conceptual engineering and other planning activities will be needed to adequately define a Delta conveyance project that will be evaluated in the new environmental documentation, including certain field work and site investigations. Some of these investigations, such as additional geotechnical work, were already planned for California WaterFix and will still be needed for the environmental analysis and engineering and design of alternatives for a new Delta conveyance project, as those are necessary regardless of the specific configuration. As appropriate, these investigations will continue and, subject to further discussion and agreement, be managed by the Delta Conveyance Design and Construction Authority (DCA) with oversight from DWR.

DWR is evaluating the extent to which a new planning effort will require new or amended planning and funding agreements between DWR, participating Contractors, and the DCA. In addition, DWR is evaluating how this affects the current process of amending the Water Supply Contracts, related to water management actions and financial provisions and related costs of Delta conveyance. This includes provisions to ensure that modernization of Delta conveyance will be funded by the participating public water agencies.

DWR looks forward to working with the participating Contractors and the DCA in the new planning effort.

Sincerely,



Karla A. Nemeth  
Director

cc: Kenneth M. Bogdan, Office of Chief Counsel  
Joel Ledesma, Deputy Director, State Water Project  
Gary Lippner, Deputy Director, Delta Conveyance  
Kathryn Mallon, Executive Director, DCA