



September 5, 2019

Delivered via email: [Nancy.Vogel@resources.ca.gov](mailto:Nancy.Vogel@resources.ca.gov)

Ms. Nancy Vogel  
Director of the Governor's Water Portfolio Program  
California Natural Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, CA 95814

Dear Ms. Vogel,

The State Water Contractors (SWC) represent 27 public water agencies delivering reliable water supplies to 27 million Californians and 750,000 acres of the Nation's most fertile farmland. These public water agencies contract with the Department of Water Resources for a portion of their water supplies, which varies by agency and with the changing hydrology and regulatory rules. Even with this variation, it is a foundational supply for these local public water agencies, making possible a whole host of other regional and local water supply projects. The State Water Project (SWP) is the largest public water system in the nation and without it, California would be unrecognizable. Beyond its water supply benefits, it provides the state with important flood protection, energy, and environmental management benefits.

Executive Order N-10-19 is a great way to take a holistic look at the state and ask, what do we want our water future to be? It is a question the SWCs ask ourselves frequently, and we have already taken action to effectuate that future. From investments in conjunctive use, recycled water, and improved storage, to major conservation and desalination efforts, the SWCs are finding ways to ensure a reliable and sustainable water supply for the Californians they serve. We anticipate that many of our individual public water agencies will share specific input to the Water Supply Resiliency Portfolio process for their regions, but from a statewide perspective, the SWC offer the following input for building a sustainable water resilience portfolio:

1. **Make the most of the State Water Project.** The SWP is a major piece of water supply and electrical generation infrastructure and Californians have invested billions of dollars to operate and maintain it over the last 50 years. One of the most cost-effective ways to continue to provide fresh water to Californians, including millions in disadvantaged communities, is to maximize the sustainable operations of the SWP. In addition to signing the contract extension to allow for affordable financing and financial upgrades to the operations of the SWP, the state should operate the SWP to maximize its benefits.

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Implement Water Management Tools. From our perspective, there are operational improvements that can be made, including those contemplated in the Water Management Tools contract amendment, that would greatly improve the benefits of the SWP to Californians. These water management tools, such as water transfers and more flexible water exchange arrangements among State Water Contractors, will improve the efficiency of the SWP. Additionally, there is a broad state interest in positioning the SWP to better respond to climate change hydrology.

Operate the SWP to Respond to Climate Change Hydrology. We have been modeling, and now we are experiencing, the effects of climate change on the timing and availability of water to the SWP. It is imperative that the state recognize the opportunities and constraints those effects will have on the SWP. We must implement operational criteria that maximize diversions when it is safe to do so, especially during times of high flows that can simultaneously support water supply and environmental benefits. In the last few years, we have seen many foregone opportunities to improve water supplies because the environmental rules for operations do not consider the wide swings in hydrology that we now know will occur. The SWP is currently updating CESA and ESA permits for its long-term operations. We recommend the state study changes to SWP operations that maintain and improve water supplies in response to hydrologic changes caused by climate change.

- 2. Modernize and repair State Water Project infrastructure.** DWR began construction of the SWP in the 1950s, and the SWCs have been making investments in the infrastructure since then, including expansion of the conveyance systems through construction of the Coastal Branch and the East Branch. At the same time, the SWP has aged, and new threats have emerged, including climate change. While the state's population has grown from around 16 million when the SWP first came online to its current 40 million, the SWP has steadily provided a reliable water supply to support the state's people and economy. However, like a lot of infrastructure constructed in the state during that time, the SWP is aging and requires substantial reinvestment to continue providing water supply to Californians and to protect the billions of dollars already invested by them over the last several decades. While DWR conducts ongoing regular maintenance and is focused on major dam repairs and reinvestments, there are two other key areas that should be addressed immediately.

Aqueduct Subsidence. Hundreds of miles of SWP canals run through the Central Valley, and there are several areas where land subsidence has drastically reduced the ability of the SWP's canals to move water. In 2017, the wettest year on record, deliveries were hampered by reduced flow in the canals caused by more than 90 miles of land subsidence. While SGMA will slow the rate of subsidence, there is already significant damage to the SWP, and the state should prioritize addressing existing subsidence effects to maximize the SWP's ability to move water.

Delta Conveyance. Delta conveyance has been contemplated for decades, with substantial planning efforts underway for the last 13 years. We appreciate the

Governor's commitment to a Delta conveyance facility, which must be a component of the water resiliency portfolio to ensure the SWP remains able to meet the state's water supply needs into the future. The conveyance facility must be large enough to capture high flow events that we know will occur under the effects of climate change and that will offer the best opportunities to meet the state's co-equal goals of ecosystem restoration and water supply reliability. A tunnel sized too small simply can't move enough water during these high flow events to make the costs to Californians worth it. Similar to the operations of the SWP without Delta conveyance, we must implement operational criteria that maximize diversions when it is safe to do so. The SWCs are committed to working with the state to use the best available science and adaptive management processes to sustainably manage this new, key piece of infrastructure.

3. **Support Development of Storage Projects to Complement SWP Operations.** Similar to climate change adaptation and Delta Conveyance is the need to develop storage to regulate and manage high flow events to provide water when it is needed most – which is during drier years. Several of our member agencies are engaged in developing new local or regional storage projects that can help achieve this critical goal, but state support will be needed to help make these projects a reality.
4. **Invest in other State Water Project benefits.** As described above, in addition to water supply, the SWP provides Californians with flood protection, clean energy, recreation opportunities, and environmental management. The water resiliency portfolio should consider how the SWP can continue to provide or enhance these functions to the benefit of the state.

Flood protection. Lake Oroville along with a system of levees through the Feather and Sacramento rivers, and extending into the Delta, provides flood protection to Californians from Oroville to Sacramento. The state should reinvest in this infrastructure to provide the necessary protections for these Californians, especially in light of changes in hydrology due to climate change. Additionally, the state should invest in better forecasting and more flexible dam operation that allow for flood storage when necessary and store more water when the risks are lower.

Clean Energy. There are likely many opportunities for the SWP to invest in improved clean energy and the SWC supports efforts that help meet the state's renewable energy portfolio objectives while still maintaining the cost-effective water supply delivery functions of the SWP. We look forward to exploring those opportunities.

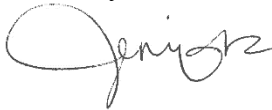
Recreation. The SWP includes several major reservoirs from Oroville in Northern California to Silverwood in Southern California that Californians use for fishing, swimming, boating, camping, biking, etc. While SWCs do not fund these opportunities, we support these uses and encourage the state to find ways to enhance these opportunities.

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Environmental Management. Many of our environmental management practices are tied to science and regulations that need to be updated to reflect our current understanding, and with an eye towards climate change adaptation. Additionally, the SWC stands ready to partner with the state to implement programs such as the Voluntary Agreements to improve how we manage environmental assets.

Thank you for your outreach and effort to understand the diverse perspectives of all Californians. We appreciate the opportunity to provide ours. One thing is clear- the State Water Project is a vital component of the state's water resiliency portfolio and makes possible our collective ability to achieve a promising vision of our state's future. Many of the local and regional projects that public water agencies and others will implement depend on a reliable SWP. We look forward to working with you on implementation of the Water Resilience Portfolio.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer Pierre".

Jennifer Pierre  
General Manager