



### Delta Counties Coalition

Contra Costa County · Sacramento County · San Joaquin County · Solano County · Yolo County

*"Working together on water and Delta issues"*

February 26, 2024

The Honorable Mike McGuire  
President Pro-Tempore  
California State Senate

The Honorable Robert Rivas  
Speaker of the Assembly  
California State Assembly

The Honorable Scott Wiener, Chair  
Senate Budget Committee  
California State Senate

The Honorable Buffy Wicks, Chair  
Assembly Budget Committee  
California State Assembly

The Honorable Josh Becker, Chair  
Senate Budget Subcommittee 2  
California State Senate

The Honorable Steve Bennett, Chair  
Assembly Budget Subcommittee 3  
California State Assembly

The Honorable Dave Min, Chair  
Senate Natural Resources and Water  
Committee  
California State Senate

The Honorable Diane Papan  
Assembly Water, Parks, and Wildlife  
Committee  
California State Assembly

**Re: Opposition to Potential Trailer Bill Language Pre-emptively  
Authorizing Bonding Authority for the Department of Water  
Resources to Support the Delta Conveyance Project**

Dear President pro-Tempore McGuire, Speaker Rivas, Senator Wiener, Senator Becker, Senator Min, Assemblymember Wicks, Assemblymember Bennett, and Assemblymember Papan:

The Delta Counties Coalition (DCC) represents the five counties that comprise the California Delta and the approximately four million Californians who live in our communities. For nearly two decades, this coalition has worked to protect and defend the Delta from the immeasurable and permanent harm posed by the construction and operation of an isolated conveyance facility, referred to as the *Delta Conveyance Project* or *Delta Tunnel*, that would route up to a third of the flow of the Sacramento River water out of the Delta estuary to points south for export to other areas of the state.

The Legislature has consistently rebuffed the State Administration's attempts to accelerate, side-step or provide extraordinary regulatory relief for the controversial Delta Conveyance Project, most recently, last summer in State budget negotiations. The DCC extends our gratitude to this Legislature for its unwavering solidarity with

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our communities, as well as ratepayers and property owners within the State Water Project service areas, who would ultimately pay for the costly Delta Tunnel, regardless of the amount of water it might deliver.

Because of a significant court loss by the Department of Water Resources' (DWR) in January 2024,<sup>1</sup> the Administration may request that the Legislature approve statutory changes that would circumvent the ruling and permit DWR to issue bonds to finance the planning, design, and construction of the Delta Tunnel, possibly in conjunction with the State budget.

The recent court loss was the result of the concerted effort of the Delta counties, Plumas and Butte counties, various water agencies, tribal, non-governmental and environmental organizations, who challenged DWR's attempt to validate in court its adoption of bond resolutions to finance the "Delta Program," which would include the Delta Tunnel. The court agreed that DWR lacks authority under Water Code Section 11260 to adopt bond resolutions to finance the Delta Tunnel. The court found that the Delta Program was not within DWR's statutorily delegated authority under the Central Valley Project Act to construct and operate units of the State Water Project, such as the Feather River Project. We anticipate that DWR may pursue legislation to make an end run around the court's ruling on the controversial Delta Tunnel. While the State may propose to go around the Legislature, it would need the Legislature's approval to make any changes to the definition of the State Water Project. We ask you to reject any attempts to do so.

The lack of assured participants in the Delta Tunnel project, coupled with unknown cost estimates, is only increasing uncertainty about the project's financial viability. Under no circumstances should a state agency be financing hundreds of millions of dollars in speculative debt to fund planning for a project that lacks sufficient support and has no clear path for repayment by the benefitting agencies. As the single largest prospective beneficiary of an isolated conveyance, the Metropolitan Water District (MWD) would likely be the largest source of funds for repayment of future debt on what would ultimately be at least a \$16 billion dollar project. Yet it is the DCC's understanding that MWD has no current financing plan to pay for the conveyance through any type of ratepayer assessment or other mechanism. As the ultimate fiduciary for citizens who will be impacted by the tunnel costs, the Legislature should find this deeply concerning.

In approving the State Water Project, the Legislature directed that the costs of the project and all facilities would be paid by the beneficiaries. It appears that hundreds of millions of general fund dollars already have been spent on the project, with no indication of when or how it will be repaid. This redirection of state funds, and lack of assured reimbursement guarantee, should be of serious concern to legislators from throughout the state, particularly when the Legislature is facing a substantial budget deficit that may require direct cuts to programs for core social services.

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<sup>1</sup> A summary of the January 16, 2024 Sacramento Superior Court decision, as well as a link to the decision itself, can be found [here](#).

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The orderly process by which the State structures debt, even in the best financial circumstances, should not be bypassed in order to expedite a project with faltering support and no financing plan beyond the State General Fund.

We urge you to reject any proposal by the Administration to burden taxpayers with near-term or long-term debt for a project that has no plan for repayment and is strongly opposed by the communities most impacted by its construction and operation, along with concerned citizens throughout the state.

Thank you for your consideration. Feel free to contact us directly or through our coordinator Elisia De Bord at [DeBordE@saccounty.gov](mailto:DeBordE@saccounty.gov) or (916) 874-4627.

Sincerely,



Patrick Hume, Supervisor  
Sacramento County



Oscar Villegas, Supervisor  
Yolo County



Ken Carlson, Supervisor  
Contra Costa County



Mitch Mashburn, Supervisor  
Solano County



Tom Patti, Supervisor  
San Joaquin County