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November 20, 2020

Kathryn Mallon, Executive Director Delta Conveyance Design and Construction Authority 1121 L Street, Suite 1045 Sacramento, CA 95814

Re: Delta Stakeholder Committee

Dear Kathryn:

I am writing to invite the Water Contractors to work with us to form a meaningful stakeholder committee. The DCA is an agent of the Water Contractors, so I refer to it as the Contractors for clarity and transparency.

I am aware that the Water Contractors are currently running a so-called stakeholder engagement committee, however your effort does not include any meaningful engagement with Delta stakeholders and does not have any legitimate representation of Delta business interests. I do thank you for your courtesy in responding to my questions about this committee on several occasions in the past, but that should not be taken as any acknowledgment of this committee as a legitimate enterprise.

The committee purports to include representatives of "Delta Local Businesses," but it is puzzling, to say the least, how individuals selected by you acquire any authority to speak for the interests of Delta businesses.

The California Delta Chambers and Visitors Bureau was formed in 1969 to advance the interests of Delta businesses. Our website, <a href="www.californiadelta.org">www.californiadelta.org</a>, receives over 80,000 visits per month, and about 400,000 unique visits per year. We understand this to be the most visits of any Delta-related website. We are governed by an eleven member board of directors that includes representatives of Delta marinas, Delta tour operators, Delta real estate agents, Delta vineyards, Delta magazines and newspapers, Delta homebuilders, and other businesses—all located in the Delta. The Board meets monthly to stay abreast of concerns from our member businesses and follow up on issues of concern. Approximately 300 Delta businesses and residents are paid members or our organization.

We host a chamber mixer each month that rotates among our member facilities throughout the Delta and draws from 25 to 100 representatives of various Delta businesses. We discuss various issues facing the Delta and explore solutions forward at these mixers (as well as socializing and enjoying food and drink). We also publish a monthly newsletter that goes out to over 7,000 subscribers in the Delta. We also host or participate in a variety of events each year that are well-attended by Delta businesses and community members. Our event calendar, in addition to our own website, is featured on about 100 websites related to the Delta. Some of our events draw over 500 attendees.

In my role as Executive Director, I am in contact with numerous Delta business owners every day—through all of the venues listed above and in numerous individual interactions with Delta businesses. I hear their concerns and try to address each concern that is brought to me. Almost none of the Delta businesses that I come into contact with have heard anything about your committee. Almost none of the concerns of Delta businesses with respect to any tunnel construction have been addressed by your committee.

As I said at the outset, it is curious that you have selected two individuals to represent the interests of Delta businesses. Delta businesses are not aware of the committee—let alone having their concerns heard.

We believe that a stakeholder committee formed to carry out Governor Newsom's commitment to take seriously the concerns of Delta communities is a good idea. However, this process has not yet begun.

The first step in any problem-solving enterprise is to accurately formulate and express the problem that is to be solved. If this step fails, no good can come from the rest of the enterprise. It appears the problem is how to respond to sea level rise and the threat of levee collapse—both of which could cause salinity intrusion into the Delta. The Notice of Preparation for the Delta Conveyance Environmental Impact Report states addressing these issues as the objectives of the project. Salinity intrusion into the Delta would threaten the ability of the SWP to export water, would harm the Delta ecosystem, and would be catastrophic for Delta businesses, which rely on a freshwater Delta. Addressing the problem, then, should be of mutual interest to the Water Contractors and in-Delta interests alike. So, here too, it is odd that you have avoided clearly defining the problem to be solved. That will be the first step in forming a legitimate stakeholder committee.

The next step will be to genuinely consult established Delta organizations that have long-standing credibility representing various in-Delta interests and have the infrastructure in place to reach and obtain feedback from Delta interests. Once a membership is ascertained, the next step will be to formulate how the committee will be run. Water Contractors have a vested institutional interest, and indeed fiduciary responsibility to their ratepayers, to maximize exports at minimum cost. Water Contractors will not run the committee or have more say than any other member.

Water Contractors interests, however, are legitimate and should be represented. We urge you to participate. Your participation would also legitimate any claim by you that Delta interests have been consulted and have been heard (regardless of whether you agree with us on every point). The current SEC cannot make this claim.

I recently saw the negotiations between DWR and Water Contractors over contract amendments. These meeting were run neither by DWR nor the Contractors, but a mutually agreed third-party facilitator. This type of arrangement seems to make sense and should be strongly considered. It would lend credibility and encourage buy in to the end result—which your current committee entirely lacks.

In closing, I wish to emphasize that the Contractor's Stakeholder Engagement Committee does not legitimately represent any effort to engage with Delta stakeholders or address Delta stakeholder's concerns about tunnel construction or any other issue. We do think a legitimate stakeholder committee, formed to address the details of construction impacts through the lens of an accurate problem statement and with legitimate representation of Delta interests is a good idea. We will keep you posted on our progress in setting up such a committee and hope you will take steps prefatory to joining us.

Best regards

Bill Wells

Executive Director