



Jim Frazier

CHAIR, ASSEMBLY TRANSPORTATION COMMITTEE
ASSEMBLYMEMBER, ELEVENTH DISTRICT

COMMITTEES:
CHAIR: TRANSPORTATION
ACCOUNTABILITY AND ADMINISTRATIVE REVIEW
INSURANCE
VETERANS AFFAIRS

California Legislature

August 9, 2018

The Honorable Toni Atkins
California Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Holly Mitchell
Chair, Joint Legislative Budget Committee
State Capitol, 5080
Sacramento, CA 95814

The Honorable Anthony Rendon
California Assembly Speaker
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Phil Ting
Vice Chair, joint Legislative Budget
Committee
State Capitol, Room 6026
Sacramento, CA 95814

RE: Hearing on Department of Water Resources: Proposed Water Supply Contract Extension & Amendments

Dear Pro Tem Atkins, Speaker Rendon, Chair Mitchell, and Vice Chair Ting:

I am writing to urgently request the Joint Legislative Budget Committee postpone scheduling a hearing of the Committee regarding the California Department of Water Resources' (DWR) proposed extension and amendments to the State Water Project contracts. It is much too early to take this step. It is imperative and in the best interests of the state as a whole that these decisions be made at a future time when we can ensure appropriate Legislative oversight of these proposed extensions, particularly given their relation to the California WaterFix project.

At present, the proposed amendments are poorly defined and explained and have potential adverse impacts far beyond their apparent scope. There is much that remains unknown regarding the extensive changes to the SWP contracts that are being proposed and how the changes will impact property taxes, water rates, the fiscal integrity of the SWP and General Fund. Neither the proposed SWP Contract Extension amendments nor the WaterFix Contract amendments have fully completed the California Environmental Quality Act (CEQA) requirements. The lack of analysis and transparency of these amendments creates a fog of complexity for the public and the Legislature to conduct appropriate Legislative oversight.

Equally important, DWR is currently negotiating additional amendments to the SWP contracts regarding the California WaterFix project. Those amendments would allow permanent transfers of water between SWP contractors, in order to allow urban SWP contractors, such as the Metropolitan Water District of Southern California, to permanently purchase water from agricultural SWP contracts, such as the Kern County Water Agency, in exchange for paying more of the costs of the WaterFix project.

Once the required Water Code § 147.5 hearing is held, the Legislature will lose oversight of additional amendments to SWP contracts. If adopted, the proposed SWP Contract amendments will impose far-reaching financial impacts on ratepayers and property taxpayers, and devastating impacts to the environment.

I respectfully request that the Committee seek additional written information from DWR in advance of holding a hearing on the SWP Contract extension and amendments, and postpone this hearing until the completion of the DWR contract amendments relating to WaterFix.

Sincerely,



JIM FRAZIER

Assemblymember, 11th District