BOARD OF DIRECTORS MEETING

MINUTES

SPECIAL MEETING

Thursday, May 16, 2024
2:00 p.m.
(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The special meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 89139961292#,https://dcdca-org.zoom.us/j/89139961292?from=addon at 2:00 p.m.

2. ROLL CALL

Board members in attendance from the DCA Boardroom were Sarah Palmer, Gary Martin, Martin Milobar, Robert Cheng, Adnan Anabtawi, Tony Estremera participated from Valley Water Headquarters Boardroom and Miguel Luna participated from Metropolitan Water District.

Alternate Directors in attendance from the DCA Boardroom was Bob Tincher and remotely were Royce Fast, Dan Flory, Bob Tincher, Dennis LaMoreaux, Dan Flory and John Weed.

DCA staff members in attendance were Graham Bradner and Josh Nelson.

Department of Water Resources (DWR) member in attendance was Carrie Buckman.

3. DISCUSSION ITEMS:

a) **Presentation on the Cost Estimate/Benefit Cost Analysis.**
Information Only

DWR Environmental Manager, Carrie Buckman presented to the Board Dr. David Sunding, who is the emeritus Thomas J. Graff Professor at the University of California, Berkeley, where he teaches law and economics, industrial organization, and environmental economics in the College of Natural Resources and the School of Law. He is also a consultant at the Berkely Research Group, which is a consulting firm contracted by DWR to complete the benefit cost analysis of the Delta Conveyance Project (DCP).

Mr. Bradner stated that all information included in this presentation is available on the DCA website. Related to the benefit cost analysis, all information will be shared on the DWR website.

Mr. Bradner stated to the Board that he would be presenting the estimating scope and methodology, cost estimate update for 2023, the secondary cost estimate which will provide insight into how the project can evolve through value engineering, next steps, and roll into Dr. Sunding's presentation on the benefits cost analysis.

Mr. Bradner stated that in 2020 DCA issued a cost assessment for a central alignment project costing $15.9B. Now that DWR has selected the Bethany Alignment project. The cost has been updated using improved engineering information and with inflation from 2020 until now it helps to view the economic analysis better. The report helps DCA identify areas of potential cost management, prepare DCA with consistent dollar basis and see where most of the costs are allocated. The report has been prepared with 2023 real dollar evaluations and will require future evaluation of the project costs. DCA has various ways to improve and manage the costs for the DCP.

Mr. Bradner continued to state that DCA estimated the Bethany Reservoir Alignment at a 6,000 cubic foot per second project. Much of the project is defined on the availability of subsurface information. The cost estimating report has a checklist that goes through the design maturity and aspects of the project in evaluating the level of maturity. Mr. Bradner stated that the cost estimating report is 10% of design and the other two areas are the construction costs which has the infrastructure with contingencies and the other part is the program costs which include the labor associated with design management oversight and land acquisition mitigation projects. In addition, there is power, the settlement agreement for Contra Costa Water District, the community benefits program and other contingency within other program costs.

The methodology that is being considered is the schedule, equipment, and labor. Mr. Bradner stated that in 2020, several aspects of the project were not available to evaluate compared to the information that is available now. DCA has been able to develop the estimate from the ground up and has allowed for clear aspects of performing work for the 2023 real price. DCA can compare the 2020 estimate to the 2023 estimate and evaluate the program costs. There are contingency and risk treatment costs included. Mr. Bradner stated that DCA has assumed design, bid and build procurement to maintain conservative estimates.

Mr. Bradner continued with the schedule created for the economics team to describe the permits, procurements, design, construction and startup activities. DCA is working to ensure that all project activities are in order and ready for construction. The tunnel excavation will not begin for a few years after what is shown on the schedule. The tunnel boring machine will take time to be built, be running and will not be actively in construction until 2034. Mr. Bradner stated that the peak of the project expenditures will occur during 2036-to-2037-time frame, which will be four tunnel reaches running concurrently and the pumping plant, intakes and aqueduct. The construction aspect of the project will start to slow down by 2042, with the system startup and commissioning being completed by 2044 and the system ready for operation in 2045.

Mr. Bradner stated to the Board that according to the Association of Advancement of Cost Engineering, the DCP is considered a class four with class five aspects. The tunnel alignment is the area with the most limited information. The project will have various components at various stages throughout construction. On the estimate classification, the blue and yellow line represent the costs associated with the project and the yellow is considered the most accurate. DCA has completed many engineering analyses but there is the uncertainty of the ground conditions. For the estimate, DCA has used deterministic approaches with actual material price quotes that have been obtained from different material providers.

Mr. Bradner presented to the Board the 2023 Cost Estimate update that totaled out to be $20.12B. Three quarters of the cost is associated with construction with a 30% contingency associated with those elements. The other program costs include the labor, land acquisition, mitigation program, power, settlement agreements and community benefits which make up the other 25% of the total estimate. DCA investigated the construction costs related to the labor and soft cost aspects of the estimate compared to the previous estimate where DCA viewed the high-level costs and then worked down to the soft costs. Mr. Bradner stated that the community benefits program has a funding amount of $200M and mitigation identified in the environmental impact report a total of $960M.

Mr. Bradner continued to present to the Board that the DCA used heavy bid software to allow for estimates on construction methods and schedule of activities. This will allow the estimate to align with the master program schedule. Prevailing wages, equipment material quotes, sales tax, markups and profit insurance are included in the estimate. DCA has identified risk treatment costs to identify potential risks within the program. There is also construction contingency included to account for uncertain items or conditions not currently identified in the estimate. Mr. Bradner stated that risk uncertainty is dealt with risk treatment directly included and contingency applied as a 30% multiplier. DCA's design team and program management team had a 13% cost differential, with the reconciliation process it was brought down and eventually the cost difference came out to 1.91%. DCA was able to settle on a 30% construction contingency, this was established based on a partnership with the estimating and engineering team. A 10% level of design would be assigned to the overall design development maturity. DCA performed a semi-quantitative risk analysis to develop the dollar value of risk remaining within the project. This was used to determine a level of contingency and professional judgement.

Mr. Bradner continued to present to the Board that the contingency will decrease as the engineering work advances. The costs will transfer from the contingency bucket directly to the estimated aspects of the project. The contingency included in the 2020 estimate had a 38% rate and was more of a judgement exercise. Mr. Bradner stated that the table shown demonstrates that DCA used a 30% contingency related to anywhere that had

construction related aspects of the project. DCA also wanted to include a 30% contingency on land acquisition costs and 15% on labor costs.

Mr. Bradner presented to the Board the 2020 and 2023 cost assessment. The tables show 2023 has an estimate of $20.12B while 2020 has an estimate of $15.9B. The table is not entirely the exact same for both years, but DCA has tried their best to allocate items properly and provide a reasonable comparison. Mr. Bradner stated that according to the US Bureau of Reclamation construction costs, there has been an inflation increase of 26.8% from 2020 through the third quarter of 2023. In the 2020 estimate the construction cost was $12.1B and the labor was 25.5% cost. DCA now has a refined cost estimate.

Mr. Bradner continued with the secondary estimate of cost-reducing innovations. The work provided to DWR for the Environmental Impact Report (EIR) analysis and the work documented in the engineering project represents a conservative configuration. DCA understands that there are several innovations that represent opportunities to reduce impacts, cost schedule or risks. The opportunities help communicate and further understand where the project may head towards, continued value engineering and continued data collection. DCA has developed 19 innovations for inclusion in the secondary cost estimate and do not represent changes to the project description. The project description will need to be analyzed by DWR with respect to any permit and the California Environmental Quality Act (CEQA) application that would be relevant.

Mr. Bradner presented to the Board the innovative example of the Bethany Reservoir pumping plant. The innovation would reduce construction quantities, shorten construction by 980 days and there would be no changes to the above ground site configuration or surface features. Mr. Bradner stated that this would be working more efficiently and smarter within the identified footprint. In addition, this innovation would reduce the construction cost by $140M, not including the soft costs, other risks and other aspects of the project. DCA has various categories of intakes, tunnels, shafts, pumping plants, surge basing and aqueduct discharge structure logistics. The potential construction cost savings in column one is the direct reduction in construction costs by about $750M. Then there is the potential risk treatment cost saving of $24M and adding both totals out to $773M in project costs innovations using the same 30% contingency. DCA was focused on the direct construction cost contingency and labor cost associated with the innovations and in doing so this created a reduction I the project by $1.23B. This is roughly six percent (6%) of the total cost not including re-evaluation of risk and potential contingency changes.

Mr. Bradner stated that the next steps would be to analyze the economic feasibility of the DCP through benefit-cost analysis and agency-specific local economic studies. Continue development of design, construction, contracting innovations to refine project definition and constructability. Lastly to support DWR’s evaluation, including CEQA, select innovations for changes to the approved project.

Dr. Sunding presented to the Board the DCP Benefit-Cost Analysis report. With the help of his co-author, Oliver Browne, Ph.D. They had been working on this report for the last 18 months with the help of their staff, looking at various aspects of the project and what it means in terms of water management across California. Dr. Sunding stated that if the State Water Project (SWP) were its own country, it would be considered the eighth (8) largest economy in the world. Just behind the United Kingdom and France, but larger than Italy, Canada and Brazil. Dr. Sunding stated that the SWP delivers about 2.56M acre feet per year with an average of all types of water years. Dr. Sunding focused on two categories of benefits which are the ability of the DCP to mitigate the expected effects of climate change and secondly look at the ability of the DCP to improve conditions following seismic events. Dr. Sunding stated that he took the input of the analysis done by DCA that Graham presented, which is $20.1B in undiscounted 2023 dollars. Dr. Sunding stated that the increase of the $4B is due to inflation from 2020 to 2023. At this time, the inflation increase comes in second compared to the actual benefit of the project. Dr. Sunding stated that the benefit cost analysis assesses the cost to invest in an intervention like the DCP and what the benefits will be of the outcome.

Dr. Sunding continued to present to the Board what a cost benefit analysis does and the cost of an intervention such as the DCP. On the cost side the intent was to be as comprehensive as possible and account for both cash and non-cash outlays. The cash outlays used the DCA cost estimate for construction costs and added the O&M cost going throughout the study period. Mr. Sunding included the costs for environmental mitigation of approximately $1B and included $200M for the community benefits program. The non-cash outlays included local impacts in the Delta during the construction period, increased traffic congestion, lowered air quality and noise impacts. These are economic costs that are not a cash outlay, but they are real impacts to certain people. Over time a cost that was looked at was the changes in salinity in the Delta that might impact Farmers due to DCP operations.

Dr. Sunding stated that the project has a benefit cost ratio of around 2.2 to 1. For every dollar spent there is $2.20 in benefits that are enjoyed by the SWP customers, businesses, farmers and residential customers throughout the SWP service area. Dr. Sunding stated that in the primary scenario in the economic study that was looked at in 2070 for hydrology, the future climate conditions are projected to exist once the project begins operating. 403K acre feet are being protected due to the DCP being implemented. Dr. Sunding stated that they use a discount rate of 2%- 1.4%, this is used due to the cost being expanded first and the benefits start once the project begins operating. Dr. Sunding followed federal guidance that was issued by the Office of Management and Budget that sets the ground ruled for Federal Economic Analysis of Infrastructure projects. Dr. Sunding stated they followed federal guidelines as to how to discount future benefits and costs. This is assuming a 15-year construction period and looking at the benefits and costs over a 100-year operating life of the project. Dr. Sunding stated that the first thing they looked at was the climate mitigation benefit on the SWP, more SWP deliveries and more so what would happen without the project. This allows agencies to fill storages more frequently

and enter droughts with more water in reserve. This will produce fewer periods of mandatory rationing for urban agencies and less severe rationing whenever it occurs, creating an economic value to residences and to businesses in the agricultural sector. Dr. Sunding stated to the Board that they measured the change in profitability of agriculture with and without the DCP. There were two approaches used to measure. The first approach used was an employed economic planning model called Statewide Agricultural Production Model (SWAP), this is used for many things in California and look at water market transaction data to get an idea of what Farmers are willing to pay for extra water supplies in different hydrologic years. Dr. Sunding presented to the Board a graph of the SWP deliveries and summarizes what they are assuming about the ability of the DCP to mitigate climate effects. The 2020 hydrology which is similar to today's measurements with the current SWP delivers on average about 2.56M acre feet. By 2070 without the DCP, SWP water deliveries would drop to 1.9M acre feet due to climate change and sea level rise. On the same graph by 2070 with the DCP and climate conditions the levels would slightly drop to 2.3M acre feet allowing the stabilization of water supplies in the face of climate change and sea level rise. The DCP also impacts water quality due to it diverting frequently from the North Delta that has less salinity. Salinity impacts both urban and agricultural customers. In the urban sector, less salinity reduces treatment costs, improves taste and extends the life of household appliances. In the agricultural sector, less salinity reduces the cost of water softening and improves the efficiency of water use while reducing the amount of water needed to flush salt out of the root zone called leeching fraction.

Dr. Sunding continued to present to the Board the seismic benefits. Dr. Sunding used the Delta Flood Emergency Management Plan that has a planning scenario (scenario 1) that envisions a 500-year earthquake event, a 1 in 500-year event. This type of event would result in 50 levy breaches and 20 islands flooded. In the study, Dr. Sunding mentioned the outcome of a seismic event with the DCP and without the DCP. Without the DCP, the Flood Emergency Management plan envisions a Delta export disruption averaging around 203 days of no water from the SWP followed by a period of 340 days with reduced quality water that is high in salinity even with the salt being flushed from the system following an earthquake. Dr. Sunding stated that with the project, the DCP would operate for the full duration as usual and could eliminate the effects of an earthquake. There also is a scenario where the benefits are limited to deliveries at the minimum public health and safety guidelines. Dr. Sunding stated that they receive questions regarding alternative water supplies and how there is a gap between supply and demand and how a value is being put. Dr. Sunding stated that there are alternatives to DCP, but they are more expensive. The DCP is about $1,325 per acre foot, which is less than half of the cost of desalination, half the cost of recycling and less than storm water. Dr. Sunding stated that they were assuming water conservation in the demand project that was used to calculate economic benefits.

Dr. Sunding stated that in conclusion, the main scenario that is being viewed is for 2070 climate conditions with 1.8 feet of sea level rise benefits outweigh costs by a ratio of about

2.2 to 1. The team viewed various scenarios and for the year 2070, as the sea level rises to various levels the benefit cost ratio increases. The higher the sea level rises, the higher the benefit cost ratio increases due to more water being preserved if the DCP was functioning. Dr Sunding stated that they evaluated the economics of the project under the hydrologic and climate conditions that would attain when the project would begin operations. They did not look at other deterioration in climate beyond the day the DCP starts operating.

Dr. Sunding stated that the current concept of the DCP and Public Water Agencies (PWA) is that they can transfer excess supplies and relieve themselves of associated costs. There could be reallocation of costs and benefits that provide flexibility to agencies.

Dr. Sunding presented to the Board the nonmonetary costs and the impacts experiences in the Delta as a result of the construction of the DCP. Dr. Sunding and his team reviewed the categories of impacts that were identified in the EIR and narrowed down the impacts that would not be fully mitigated impacts. This includes local air quality, noise and traffic congestion. As soon as a monetary value is added to the impacts, the Federal Department of Transportation has a standard method for valuing traffic congestion. The local monetary value has a local nuisance of about $167M which is minor compared to the overall cost and statewide benefit of the project. Dr. Sunding stated that $167M is less than the size of the community benefits fund and was not included in the cost of the community benefit funds. Dr. Sunding stated that if the DCP was operational this year, it could have added 999K acre feet to the SWP deliveries. That is equivalent to the water held in Folsom Lake. Dr. Sunding stated that they did not include the community benefit program in the benefit cost analysis, but it still provides benefits including adding 5,000 high-paying jobs in the Delta. As a policy matter stabilizing surface supplies how the DCP does, it is consistent with the state's long-term objective of stabilizing groundwater resources. If the state loses 570k acre feet with the current state water project system, that will create an incentive for both agriculture and urban customers to rely on ground water. This will defeat the purpose of sigma and other policies aimed at stabilizing groundwater resources.

Dr. Sunding stated that the conclusion on the inaction cost of not doing the DCP is significantly larger than the cost of investing in the project.

Director Anabtawi stated if Mr. Bradner had a perspective on the improvements left for the local communities.

Mr. Bradner stated that those are considered integrated benefits and allow communities to decide whether to keep improvements or remove them once the project is complete. Mr. Bradner stated that more work would be done through ideas and opportunities to make minor adjustments to the community benefits program.

Director Anabtawi stated that Mr. Bradner has not evaluated schedule impacts and if Mr. Bradner could give his opinion in terms of the magnitude of the cost savings with a good schedule impact.

Mr. Bradner stated that with inflation the yearly cost increase is $630M. The ability to condense the schedule, start construction sooner, work more efficiently and get the project built into operation. The benefits would start accruing quickly.

Director Anabtawi stated if Dr. Sunding could speak of an opportunity to supply and develop in certain geographical regions.

Dr. Sunding stated that there are technical limits and other political limits on the development of alternatives at this scale. Dr. Sunding stated that it is unlikely that desalination, storm water capture or a recycled water project of the same magnitude as the DCP would occur due to the amount of water replacement that is needed.

Director Martin wanted to confirm that the DCP project would not provide the entire 570K acre feet per year.

Dr. Sunding stated that the project is not about increasing Water Supplies, but to maintain as much as possible of what there currently is.

Director Martin stated if the seismic disruption of days had a dollar amount.

Dr. Sunding stated that it was incorporated in the benefit estimation. There is a total of $38B in benefits that are measured in the result of the DCP over the 100-year operating life. The seismic benefits are rolled into the climate mitigation benefits. The seismic benefits are the largest components of the benefits by good measure. The range of outcomes following an earthquake during a drought with limited water in reservoirs would have negative outcomes.

Director Martin stated that if this is considered a loss of economic activity or having to go out and find the replacement for water.

Dr. Sunding stated that it's lost economic activity to the extent that businesses experience shortage but then also it is a loss to residences economic value, it's water that they would like to purchase that they can't. There are all kinds of inconvenience that results from that and expense like Landscaping and limited water use inside the home.

Director Milobar stated that he would like clarification on how it impacts the farmers that produce to California and the rest of the nation. The farmers are not the end users of water, the end users are the consumers.

Dr. Sunding stated that the way they look at impacts on agriculture and how the DCP will impact them versus not having the project. The value of the incremental supplies that are going to farmers and the way they measure that is by modeling what farmers would be willing to pay to get those acre feet back. Many changes are occurring in the San Joaquin Valley as a result of Sigma and other reductions in surface deliveries. Dr. Sunding did a study a few years back of a projection that one in five acres resulting in around a million acres in the San Joaquin Valley would come out of production due to sigma and reduced surface water deliveries.

Director Cheng stated that he wanted Mr. Bradner to confirm his statement of having a 26% increase over a three-year period resulting in a cost increase of 6% per year.

Mr. Bradner confirmed Director Cheng's statement was correct and the ability to use the 2020 cost estimate assisted in having an accurate report. The cost estimate for 2020 to the new cost estimate of 2023 is similar with additional changes, inflation, the community benefits program and other aspects of the project with higher costs associated with mitigation.

Director Cheng stated that it is great that Mr. Bradner and Dr Sunding were able to contain the costs for the framework. Director Cheng stated how great the ratio of $2.20 benefit for every $1 investment for the DCP and asked how Dr. Sunding calculates future inflation or future cost increases for the current benefit cost analysis.

Dr. Sunding stated that they did not do any additional cost estimate beyond what DCA has already done. Dr. Sunding obtained Mr. Bradner's modeling and used that input. In an economic analysis like the benefit cost analysis, Dr. Sunding took a different perspective on cost. Just like there is a discount benefit, there is also a discount cost and that will take account the future inflation but also the time value of money. The real discount rate is between two percent and one point four percent and many of the cost estimates that were obtained from Mr. Bradner contain contingencies in various cost components. Dr. Sunding stated that with the percentage rate of the project being over two percent, this increases the confidence of the investment of the DCP.

Director Luna stated that he appreciates the thorough presentation.

President Palmer stated what is being done regarding the maintenance cost.

Mr. Bradner stated that this would be added to the unaccounted for. In terms of the potential innovations, DCA did work with DWR to develop the operations and maintenance cost. Included was the equipment refurbishing and replacement cycles, periodic work that would be done at the intake site and tunnel. There is an intense focus to really understand the potential benefits and assists with the value of engineering. DCA is focused on the construction costs which can re-evaluate quantities and apply those contingencies and proportions of the labor associated.

President Palmer stated that as water becomes inaccessible for farmers, there becomes a displacement of workers, people, jeopardizes public health and the destruction of communities. President Palmer also stated if Mr. Bradner could expound on the cost being flat.

Mr. Bradner stated the cost being flat would be if the inflation were removed from the estimate.

Dr. Sunding stated to the Board that inflation has increased the cost since the year 2020, but it has also driven up the benefits. This includes household income and project level of benefits.

President Palmer stated if this also brings the idea of the co-equal goals of the water delivery and the environmental issues.

Ms. Buckman stated that the purpose of the project is to try to address and adapt to climate change. The economic analysis that Dr. Sunding talked about was to look at the economic value of reducing shortages and comparing that to the minor unmitigated environmental costs.

DCA Chief of Staff, Claudia Rodrigez stated that she would distribute to the Board the public comment email.

Public comment Tasia Kieffer stated that she was there on behalf of the Los Angeles County Business Federation, and they are supporting the project to move forward. The DCP will modernize the current SWP, and the cost benefit analysis is creating thousands of jobs and businesses will have dependable water.

Public comment from the board room, Ryan Nance, Thanked the DCP for the efforts being made. There has been long suffering from the diminishing reliability of clean and usable water. The DCP offers solutions to this unsustainable decline of one of the most precious basic resources. The physical infrastructure of this project would aid in bearing fruit for Central Valley residents, the jobs that are created from this kind of project offer access to apprenticeship training and mentoring opportunities through the trades that would perform that construction work. Residents have waited for positive impacts like the DCP and all that it brings to California communities. Mr. Nance is excited about the DCP and looks forward to seeing it through the completion.

Public comment from the board room, Robert Kunde, stated if the 26% contingency was applied to each of the construction categories.

Mr. Bradner stated that 26% was used to escalate the number to give the team a reasonable comparison from 2020 to 2023. Contingency was assigned to the updated

estimate at 30% for construction costs, 15% for soft cost labor and there were a few whole hard numbers added into the estimate with zero.

Mr. Kunde stated that the general concern of the district and the farmers is the magnitude of the costs and the challenge of understanding those changing the environment for food and marketing in the future.

Public comment, Cheryl Branch from the Los Angeles Metropolitan Churches, stated that the DCP is a crucial benefit to the underserved communities and is focused on California's water safety. The communities heavily rely on the Delta and the DCP is vital to their communities to continue to have access to affordable water. Desalination and storm water capture is important to their communities but are not as affordable as the Delta water. Ms. Branch looks forward to seeing the DCP come to fruition.

Public comment, Marci Stanage from Rebuild SoCal Partnership stated that the benefit cost analysis is a reminder that the infrastructure needs improvements. The SWP delivers water to more than 27M people. Climate continues to change and found that the declining in investment in drinking water has led to more waste and complete system failures. As seen in the past winter, the current system is not prepared to move and ship water when it is abundant and able to be saved for droughts. Ms. Stanage stated that it is time to move forward with the DCP.

Public comment, George Boutros from Orange County's Diverse Business Community (OCBC) stated that Orange County businesses and residents rely heavily on the state water project for much of the total water supply. OCBC supports accelerated development security of a secure and reliable alternative conveyance system in the Delta that will significantly improve water supply reliability and water quality.

Public comment, Cedric Farmer from the Los Angeles Metropolitan Churches stated that people do not miss their water until their well runs dry. The cost of doing nothing is staggering and communities rely heavily on water from the SWP. The threat of an earthquake could cause water deliveries to be stopped for a year or more is really terrifying and would be an economic and humanitarian disaster. Additional security that the DCP provides is amazing and improving the reliability of the SWP and guarding against seismic risk, makes the project an easy decision. Mr. Farmer is looking forward to the project moving forward.

Public comment, Kyle Griffith from the California's for Water Security stated that the benefit cost analysis is impressive work and appreciates Dr. Sunding and the DCA for putting it together. Mr. Griffith would like to ensure that the DCP will handle water distribution, handle rising sea levels and lost water supplies due to climate change. This project is crucial, and the Coalition is ready to support the PWAs.

Public comment, Dahlia Fonseca from the California State Council of Laborers has been a supporter of the DCP and the goal of helping meat California's long-term water supply needs. The DCP will help modernize the delivery of the state water infrastructure and create jobs. Ms. Fonseca is ready to help move the project forward.

Public comment, Jason Pearce from NorCal Carpenters Union stated that he is pleased to hear the benefits cost analysis for the DCP. The billions of dollars that the project will provide, and the state water reliability is critical. The SWP needs modernization and is looking forward to moving this project forward.

Public comment, Osha Meserve represented Local Agencies of the North Delta and local entities including wildlife groups and individuals. Ms. Meserve stated that the benefit cost analysis overestimates the benefits and underestimates the costs associated mostly with Delta communities and local areas. It is discouraging to hear the benefits of agriculture outside of the Delta while ignoring the agriculture within the Delta. Ms. Meserve stated that the estimates in the EIR are incorrect due to the EIR's inadequate information and fails to disclose the impacts on the environment. The community benefits program was not meant to mitigate impacts and is inconsistent in trying to understand the purpose of the community benefits program. Ms. Meserve stated that the benefits to rate payers and taxpayers within the service area of the SWP is not the entire state only part of the state. Ms. Meserve stated that earthquake risk is not the best available science. Improvements to the Delta levees have made it to withstand outages for a few days and not hundreds of days as stated due to fresh water coming in every winter, but very unlikely for a major earthquake to happen due to the Delta not being on any major fault lines. Ms. Meserve stated that communities should not be crushed, and community's resources should not be taken by others, this is not the world that should be created for communities and children.

Public comment, Gabriel Cervantes from the American Council of Engineering Companies of California stated that they are part of the statewide coalition in support of the DCP.

Public comment, Ed Sanders from Groundwell for Water and Housing Justice stated that they are aimed at ensuring that marginalized communities throughout the state have a voice in the water policy debate. There are a million Californians that do not have access to clean drinking water, while there are about 390 water systems that are considered failing and unable to deliver water to their residents. Mr. Sanders stated that water is life and is needed for cooking and to live. There are many communities that do not have access to water. Climate change continues to whipsaw water supplies with drought light conditions one year and atmospheric Rivers the next year. The DCP is needed to ensure water management and can guarantee communities water as one in forty people currently do not have access to clean water.

Public comment, Victor Reyes from Valley Industry Commerce Association stated that the DCP will supply to home and businesses in various residents in San Fernando Valley.

Modernizing the SWP will prepare for seismic threats and impacts for climate change. The DCP is a sound investment and look forward to working with DCP and making sure that this project moves forward.

Public comment, Charley Wilson appreciates Dr. Sunding's work. The study articulates the value proposition of modernizing the state's water delivery system. Southern California is conserving water by using storm water, recycled water, but eventually everything will be blended together, and the cost will be much greater.

No further comments or questions were received from the Board, no further were any public comment requests received.

4. ADJOURNMENT:

President Palmer adjourned the meeting at 4:45 p.m., remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 89139961292#, https://dcdca-org.zoom.us/j/89139961292?from=addon\