Memorandum

Date: May 2, 2019

To: Gary Lippner, Deputy Director
Delta Conveyance

From: **Department of Water Resources**

Subject: Alignment of Delta Conveyance with Governor Newsom's Vision

On April 29, 2019, Governor Newsom announced a major new initiative for water, including how to make California's water supplies more climate resilient for people and the environment. This strategy includes modernizing the State Water Project's infrastructure and a careful consideration of a strategically designed single tunnel to deliver water through the Delta.

This memorandum is to notify you that to align our work with the Governor's vision for California, and specifically for Delta conveyance, the Department through the Delta Conveyance Office (DCO) will embark on a new environmental review process and pursue new environmental permits. This work will require a close partnership with the public water agencies funding the project and will be informed by the engineering and design work being conducted by the Delta Conveyance Design and Construction Authority (DCA).

To this end, I am hereby withdrawing approval of California WaterFix and direct your office to notify the State Clearinghouse (SCH) that the Department rescinds the Notice of Determination (NOD) that was filed pursuant to the requirements of the California Environmental Quality Act (CEQA) on July 21, 2017. This notice should also rescind the adoption of the findings of fact, statement of overriding considerations, and mitigation monitoring and reporting program that accompanied approval of the California WaterFix Project on July 21, 2017. In addition, the SCH notice will state that, although the Department stands behind the science that supported the analysis in the Final EIR and the finding that the Final EIR was completed in compliance with CEQA, the Department also withdraws the accompanying certification of the California WaterFix Final Environmental Impact Report because there is no longer an underlying project approval for which the Final EIR was reviewed and considered. Because of the withdrawal of the WaterFix Project approval and rescinding of the NOD, all other Department approvals related to the California WaterFix Project, based on the NOD filed on July 21, 2017, are also hereby rescinded.

I am also directing the DCO to:

- Prepare a Notice of Preparation (NOP) to begin a new transparent environmental review process in compliance with CEQA. The NOP should emphasize proposals to address climate change resiliency and protect the State Water Project Delta conveyance from earthquake risk, in consideration of a one tunnel conveyance facility and in light of the State's co-equal goals for the Delta.

- Work with the DCA to embark on engineering and design activities to support environmental review with a focus on identifying impacts and mitigation.

- Coordinate with the U.S. Bureau of Reclamation (Reclamation) and notify the State Water Resources Control Board that the Department is withdrawing the pending petition for change in point of diversion for the State Water Project and Central Valley Project and 401 certification for California WaterFix Project before the State Water Resources Control Board, that was filed on August 25, 2015. The DCO shall also coordinate with Reclamation to notify the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) that with the withdrawal of the California WaterFix approval, we withdraw the request for formal consultation and the biological assessment that was submitted on August 2, 2016, in compliance with Section 7 of the Endangered Species Act. As a result of this withdrawal, the Department shall request that USFWS and NMFS withdraw the biological opinions issued for the California WaterFix Project issued on June 23, 2017 and June 16, 2017.

- Notify the California Department of Fish and Wildlife (DFW) that the Department is no longer pursuing its application for the California WaterFix incidental take permit (ITP) pursuant to the requirements of Section 2081(b) of the California Endangered Species Act. Because of this, the Department shall request that DFW rescinds the ITP issued for the project on July 27, 2017.

The Newsom Administration has high esteem for the good work that has been done to help solve the problems facing the state's water system, and the Administration brings a new vision to modernize the Delta in a way that is coordinated with other water actions. This approach provides the greatest opportunity to deliver a cost-effective project informed by multiple stakeholder input and careful environmental review.

Karla A. Nemeth

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Director