



**Statement from Nicole Sandkulla, Chief Executive Officer, About Action by the City Council of Palo Alto Last Night to Transfer Half a Million Gallons of Water Per Day (MGD) to the City of East Palo Alto for sustainable growth**

May 8, 2018

This action by Palo Alto, combined with previous action in 2017 by the City of Mountain View, provides the water necessary for East Palo Alto to move forward with its sustainable growth plans envisioned in their General Plan to benefit its residents.

These three cities, which are among BAWSCA's 26-member agencies, in Alameda, San Mateo, and Santa Clara counties, and their transfers of water to East Palo Alto have demonstrated one of the major reasons why the California Legislature established BAWSCA in 2002 – to provide an intergovernmental structure for “coordinated planning and implementation of strategies for water supply, water conservation” and other vital water needs. That legislative authority is working very well.

As a result of these constructive, responsible and negotiated inter-city actions, the City of East Palo receives a voluntary solution to its urgent water needs from two other neighboring cities who had excess water available within their respective Individual Supply Guarantees (ISG) from San Francisco, owner and operator of the San Francisco Regional (Hetch Hetchy) Water System.

This water transfer was also made possible by the Water Supply Agreement (WSA), which BAWSCA negotiated for its member agencies in 2009 with San Francisco. During the discussions between Palo Alto and East Palo Alto, BAWSCA provided independent counsel and guidance with respect to contractual provisions in the Water Supply Agreement and water supply issues.

With the additional 1.5 MGD for balanced growth, East Palo Alto will be able to consider approval of: a new Primary School that will serve 500 local students, development of approximately 125 affordable housing units at a city-owned site, and additional commercial development that will create local jobs for City residents. This will get the East Palo Alto jobs-housing ratio closer to a sustainable and balanced 1-1 ratio. Currently, East Palo Alto has 0.2 jobs per employed resident, while surrounding cities have two and three jobs per employed resident. This additional water supply will enable the City to meet the goals of its General Plan.

The transfer of this water between the City of Palo Alto and the City of East Palo did not involve any cost to either party. This water agreement between Palo Alto and East Palo Alto will bring both cities multiple mutual benefits, including coordinating their efforts to protect their underground aquifers, increasing the region's production of affordable housing, strengthening the local economy and workforce, and expanding their collaboration to address regional issues such as traffic and multiple infrastructure projects spanning the two cities.

###