



Board of Trustees

Del Valle Independent School District

June 25, 2020

RE: Chapter 313 Agreement for proposed Tesla manufacturing plant (Colorado River Project, LLC)

Dear Del Valle ISD Board of Directors:

The Lone Star Chapter of the Sierra Club is the state chapter of the Sierra Club, the nation's oldest and largest conservation organization. As an organization, both our state chapter, as well as our local Austin Sierra Club regional group have been very supportive of efforts to utilize new technologies that produce jobs and also have an environmental benefit such as electric storage and electric vehicles. At the local level, we have worked hard to get our utility, Austin Energy, the City of Austin and Travis County to make commitments to a carbon-free future, including the use of renewable energy, storage and electric vehicles.

Nonetheless, we wanted to express our view that the Board of Trustees of Del Valle ISD should delay making a decision today on any potential tax incentives or breaks for the proposed "Colorado River Project, LLC" until more specific community agreements are made with TESLA on worker compensation and retention, safety and environmental stewardship. We join with our colleagues and brothers and sisters at the Workers Defense Project, UAW International, Texas AFL-CIO, Education Austin, AFSCME, Austin Central Labor Council in calling for Tesla to commit to a list of proposed Community Assurances, which is attached to this email. We believe the most important of these demands is the first -- a longer proposal process to allow for community input and comment.

Second, while we are supportive of these Community Assurances from our colleagues in the labor community, we believe that Tesla must also be held to first-rate environmental stewardship goals.

While we are still in the process of fully developing some recommendations, we would like to suggest that among the "Environmental and Sustainability Assurances" we would like the County and other political subdivisions to explore before potentially offering tax incentives include:

1. A specific commitment to measure and report the facility's total carbon footprint on an annual basis, and efforts to reduce that footprint through its gas, water, energy, and materials use, as well as efforts to maintain greenspace, trees and green infrastructure onsite to reduce said impacts;
2. A stormwater management plan that will maintain stormwater onsite as much as possible and ensure that any runoff to the Colorado River or associated tributaries do not add to the pollution burden of the community;
3. A specific commitment to ensure there is public access and green recreation space opportunities for the public to the riverbanks areas contained along the property, and a willingness to explore support for developing local park opportunities.
4. A plan to cover 100% of its electricity needs through renewable energy to meet the annual and peak needs of the factory, through a combination of purchases through Austin Energy "green" programs which should be additive to Austin Energy's overall goals, and use of onsite solar, and electric and thermal energy storage as appropriate to reduce peak and overall energy consumption;
5. A specific commitment to building the physical factory in a way that exceeds the City of Austin's current energy code (largely modeled on the 2015 IECC), while also considering efforts to meet Austin Energy's Green Building Codes, if possible at a four or five star rating, or similar above-code efforts such as the 2018 International Green Construction Code.
6. A specific plan on how to safely store, report and reduce any toxic or hazardous chemicals used in the production process, including ensuring worker safety.
7. A specific commitment to reducing physical waste and taking producer responsibility for any generated waste to avoid the need for the use of local landfills for the waste produced;
8. A specific commitment to water conservation technologies to reduce water use not just through the use of purple pipes, but other onsite and process changes to reduce the need for City of Austin water supplies;
9. A commitment to paying the true cost of service for any overall electricity hookup and future use as well as the overall electricity demand, such that Austin ratepayers will in no way be subsidizing electric rates for Tesla's project;
10. A review of any proposed wastewater discharge permits or air quality permits such that Best Available Control Technology and Maximum Available Control Technology is used.
11. If possible, no discharge permits such that no industrial wastewater flows off site is preferred subject to the needs of the industrial production process;
12. If not, Tesla should work with the City of Austin on a pretreatment program to eliminate all toxic or hazardous discharges before they enter the City's water system.
13. A specific commitment to support efforts in Austin and Travis County to utilize storage and electric vehicle technology as both entities pursue net-zero carbon 2050 goals, including potential financial support of efforts like the Pecan Street Project, and apprenticeship programs to help workers move into clean energy technologies.

While this is not an exhaustive list, the Lone Star Chapter of the Sierra Club and the Austin Group can not currently support the proposed incentive package being discussed without additional community and environmental assurances.

We hope you will not approve this agreement today but work with labor, community and environmental stakeholders on an effort that will truly be beneficial to the community.

Sincerely,

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Del Valle ISD/Travis County – COMMUNITY ASSURANCES

1. A longer approval process to provide ample opportunity for public input and comment;
 2. [Better Builder® standards](#) for all construction workers;
- a. Independent onsite monitoring through the Travis County Compliance Program.
3. Extend the County's Better Builder® standards as a minimum applicable to operational employees, not just those in the construction phase of the project;
 4. Consistent with Travis County's Chapter 28 policy, specific metrics for job recruiting from minority and other economically disadvantaged local communities;
 5. Fully paid family leave and sick leave for all employees;
 6. Permanent jobs, not temporary or contingent positions;
 7. Annual reporting with a written disclosure and presentation to the County authority and Dal Valle ISD that is available to the public and open to public comment, including the following:
 - Number of employees, disclose wages and benefits offered by classification;
 - Demonstrate no use of temporary or contingent employees;
 - Paid family leave and paid sick leave policies;
 - Demonstrate compliance with other requirements listed above;
 - Prequalification process and certification:
 - i. Demonstrated compliance with all applicable labor, employment, health and safety, and environmental laws;
 - ii. Provide a 300 log and 300 A summary of all illnesses injuries sustained in each year of operation, as well as injury rates compared to national and state averages;
 - iii. All OSHA citations and penalties for each year of operation or fraction thereof;
 - iv. Regardless of whether otherwise legally required, an Accident Prevention Plan that would satisfy the requirements under Texas Workers' Compensation Commission's Division of Workers' Health and Safety code §165.3 (28 Tex. Admin. Code §165.3);
 8. To ensure that Travis County and Texas residents reap net benefits from the public investment, require the following:
 - a. Company must meet employment targets:
 - i. Failure to meet employment or production targets in the first year results in forfeiting 50% of the dollar amount in public incentives;

- ii. Failure to meet employment or production targets in the second year results in forfeiting 75% of the dollar amount in public incentives;
- iii. Failure to meet employment or production targets in the third year results in forfeiting 100% of the dollar amount in public incentives;

b. Failure to adhere to APP, health & safety standards, labor standards or serious OSHA violations result in penalties no less than 25% of the dollar amount of public incentives;

9. Annual independent audit of sections 7 and 8 above (at employer's cost).

10. A legally binding agreement with enforcement and remedial mechanisms that the county or community can pursue.