



CALIFORNIA URBAN WATER AGENCIES

May 24, 2006

Mr. Joe Grindstaff
Executive Director
California Bay-Delta Authority
650 Capitol Mall, Fifth Floor
Sacramento, CA 95814

Dear Mr. Grindstaff:

Thank you for meeting with members of the CUWA Board on May 10 to discuss concepts for the upcoming Delta Vision effort. This letter follows up on several issues CUWA members raised at that meeting and in our earlier letters of March 27 and March 31. Our earlier letters reinforced the need to develop a roadmap for investment of public funds for Delta levees in the context of the full range of Delta uses including the public purposes of ecosystem restoration, drinking water quality protection and water supply reliability improvement.

The Delta is facing challenges on all fronts: urbanization, transportation (roads, rail, ship channels), flood threats, land subsidence, ecosystem, water quality, water supply, recreation, stable utility corridors, communications, wastewater, etc. The Delta Vision cannot be a cure-all for every problem. However, it should be a process that:

- Develops a vision of an environmentally and economically sustainable Delta;
- Ensures that short-term actions in the Delta are consistent with the long-term vision, with careful coordination of the proposed Bay-Delta conservation plan; and
- Gathers complete information on the full range of land and water uses in the Delta to ensure a fair and reasonable allocation of costs among all beneficiaries.

This vision will also assist in guiding investments by other stakeholders, including investments of public funds in other infrastructure that benefit from Delta levees, to the extent they may rely entirely, or in part, on State investments.

Due to the proposed schedule for the Delta Vision, which has a completion date of December 2007, CUWA also wants to ensure that the issues studied under the workplan are focused enough to achieve the proposed deadlines. Key steps toward success will require:

- A clear, focused workplan with an identified time schedule; and
- A clear, understandable definition of what constitutes success.

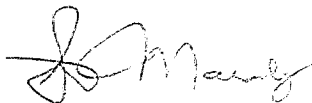
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Participants in the Delta Vision will benefit from the June 6 and 7 "Developing a Delta Vision" conference at the University of the Pacific, although that is just a beginning. CUWA suggests two documents be prepared early in the schedule:

1. Definition Paper. The Delta Vision needs a paper early on to focus and define what will be accomplished in this effort. Participants should not wait six months for a background report to be prepared, and for the scope and roadmap to be defined. CUWA suggests that the draft background, scope, schedule and definition of success be put together by mid-summer, followed by active stakeholder engagement to ensure a full discussion of the scope of this effort.
2. Economic Principles. Fundamental to a successful outcome should be investment criteria that define what the public is willing to spend for identified assets and risk reduction levels. This should drive all other decisions. There is not enough public money to fix every problem, and it is not appropriate that the public (at the national, state, local or special district levels) fund every risk reduction solution. We suggest that basic economic principles be developed over the next three months that can be applied consistently in valuing assets and risk reduction outcomes.

CUWA and our member agencies will be active participants, and will continue to offer input as appropriate.

Sincerely,



Steve Macaulay
Executive Director