



*Lester,  
The Director has  
signed this. Sorry you  
werent cc'd. J/z*

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To <i>Kathy Kelly</i>	From <i>Lynn Stephens</i>	
Co. <i>@ MWD</i>	Co.	
Dept. <i>in Mts.</i>	Phone # <i>653-1099</i>	
Fax # <i>(916) 447-1508</i>	Fax #	

Honorable Dennis A. Cardoza, Chair  
Assembly Committee on Agriculture  
State Capitol, Room 2141  
Sacramento, California 95814

Dear Chairperson Cardoza:

This is in reply to your letter of March 31, 1999, expressing your support for the San Joaquin River Agreement and requesting the Department to continuously appropriate the State's \$12 million obligation.

The Department signed the Statement of Support for the San Joaquin River Agreement in July 1998. Our recent testimony in the ongoing water right hearing of the State Water Resources Control Board supports the Agreement, and the associated Vernalis Adaptive Management Plan.

The Department, as well as other signatories to the Statement of Support, has not yet signed the Agreement itself. I expect to sign after sufficient information is provided by the San Joaquin River Group on its plan for water management improvements associated with the Agreement. Our concerns relate to the implementation of best management practices and development of a conjunctive use program to improve management of the Merced Groundwater Basin.

This water management plan is one of a set of actions to address the concerns of downstream water users regarding the adequacy of their local water supply and quality. Another action, which began in March this year, is a monthly assessment by the CALFED Ops Group of downstream impacts associated with the San Joaquin River pulse flow operation and, if these impacts are viewed as significant, development and implementation of a mitigation plan. The final component is the implementation of the Lower San Joaquin River and South Delta Bundle of the CALFED Program. Completion of this element will take about seven years after the CALFED Programmatic EIR/S is final. The bundle includes implementing the South Delta Improvements Program, consisting of facilities and actions to improve export flexibility and local water users' access to supplies; a plan to achieve and maintain adequate water quality in the south Delta; and a plan to address low dissolved oxygen concentrations near Stockton.

Honorable Dennis A. Cardoza, Chair

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Enclosed is a letter from Lester Snow to Assemblyman Mike Machado supporting the implementation of VAMP and committing to specific related actions. The letter describes the six-point plan designed to address Assemblyman Machado's concerns about improvements in access to local water supply and water quality in his district. This letter supports the approach I have just described and is included for your information.

Upon signing the Agreement, the Department is obligated, subject to appropriation of funds, to provide the State's cost share. Per the Agreement, State Water Project funds cannot be used for this purpose. To fulfill this anticipated obligation, the Department is pursuing other funding sources. The specifics of our budget are confidential until the budget is announced by the Governor.

If you need additional information or would like to discuss this subject further, please call me at (916) 653-7007. Your staff may obtain additional information regarding the Department's activities related to the agreement from Katherine Kelly, Chief of DWR's Office of State Water Project Planning at (916) 653-1099.

Sincerely,

Thomas M. Hannigan  
Director

Enclosure

cc: (See attached list.)

cc: Honorable Michael J. Machado  
Member of the Assembly  
State Capitol, Room 5136  
Sacramento, California 95814

Mr. Allen Short, General Manager  
Modesto Irrigation District  
Chair, San Joaquin River Group  
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Mr. Patrick Wright  
Policy Advisor  
The Resources Agency  
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Mr. Tim Gage, Director  
Department of Finance  
State Capitol, Room 1145  
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Ms. Linda Adams, Chief Deputy  
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Governor's Office  
State Capitol, First Floor  
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bcc: Honorable Mary D. Nichols  
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