

DISTRICT BOARD OF DIRECTORS
ROSEMARY C. KAMEI-DISTRICT 1
JOE JUDGE-DISTRICT 2
ROBERT W. GROSS, Ph.D.,-DISTRICT 3
LARRY WILSON, CHAIR-DISTRICT 4
GREGORY A. ZLOTNICK, VICE CHAIR-DISTRICT 5
TONY ESTREMERERA-AT LARGE
SIG SANCHEZ-AT LARGE

STANLEY M. WILLIAMS
GENERAL MANAGER

LAUREN L. KELLER
CLERK OF THE BOARD

Santa Clara Valley Water District



5750 ALMADEN EXPRESSWAY
SAN JOSE, CA 95118-3686
TELEPHONE (408) 265-2600
FACSIMILE (408) 266-0271
www.scvwd.dst.ca.us

AN EQUAL OPPORTUNITY EMPLOYER

June 30, 1999

Honorable Bruce Babbitt
Secretary, Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Honorable Gray Davis
Governor, State of California
State Capitol
Sacramento, CA 95814

Dear Secretary Babbitt and Governor Davis:

We commend your leadership and appreciate your continuing commitment to the CALFED process. As leaders of Santa Clara County's local governments, water supply agencies, business and industries, and the agricultural and environmental communities, we would like to express our support for the CALFED Bay-Delta Program and convey our joint message on the continuing development and progress of the program.

Santa Clara County, synonymous with Silicon Valley, is home to 1.7 million residents and over 1,500 businesses specializing in knowledge-based services and high-tech manufacturing. Exports from the San Jose metropolitan region in 1997 were valued at over \$29 billion, ranking second in the nation. A reliable, high quality imported water supply is essential to sustaining the quality of life in Santa Clara County. In an average year, water imported from the Bay-Delta watershed constitutes more than half of the County's supply. A substantial portion of this water is treated and reused. The reliability and quality of this Bay-Delta supply must meet the needs of Santa Clara County to sustain economic growth and protect the environment and the quality of life we treasure.

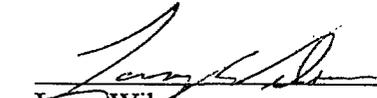
People choose to live and work in Santa Clara County because of its exceptional environmental quality and cultural diversity. We, the undersigned, share an interest in helping CALFED protect and restore the environment of the entire Bay-Delta region, including Santa Clara County, through an effective water supply management and environmental restoration program. The work CALFED has accomplished to date in ecosystem restoration is an impressive start. Santa Clara County remains committed to the goals of a healthy, functioning ecosystem.

We support and very much appreciate President Clinton's budget request for initial funding of CALFED's Stage 1 implementation. We believe, however, that it is imperative that adequate state and federal funding be provided throughout the 7-year duration of Stage 1 implementation. We further believe that CALFED's success is contingent on its ability to meet all of its objectives through a balanced implementation program that provides equitable and progressive improvement in water



quality, water supply reliability, and ecosystem restoration. We look forward to CALFED's timely completion of its water management strategy and environmental documentation such that program implementation in all resource areas can begin. Attached is a set of message points that explain in greater detail our interests in the CALFED process.

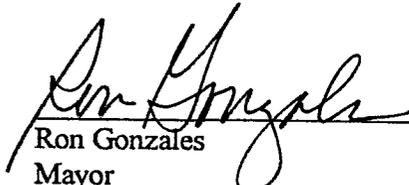
Sincerely,



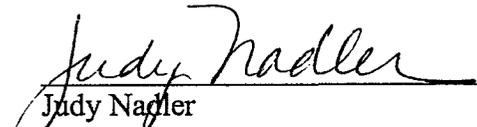
Larry Wilson
Chair, Board of Directors
Santa Clara Valley Water District



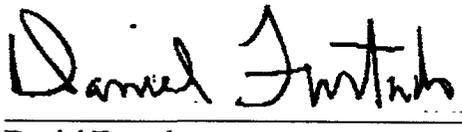
Pete McHugh
Chair
Santa Clara County Board of Supervisors



Ron Gonzales
Mayor
City of San Jose



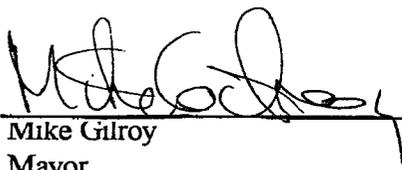
Judy Nadler
Mayor
City of Santa Clara



Daniel Furtado
Mayor
City of Campbell



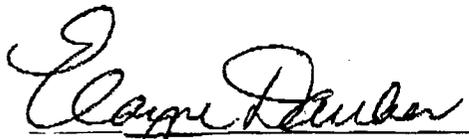
Wally Dean
Mayor
City of Cupertino



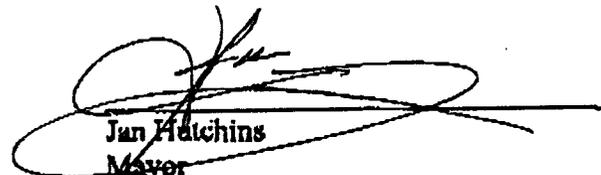
Mike Gilroy
Mayor
City of Gilroy



Louis Becker
Mayor
City of Los Altos



Elaine Dauber
Mayor
Town of Los Altos Hills

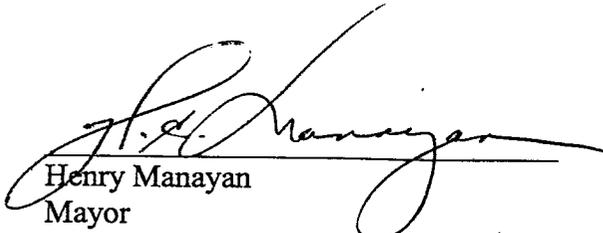


Jan Hutchins
Mayor
Town of Los Gatos

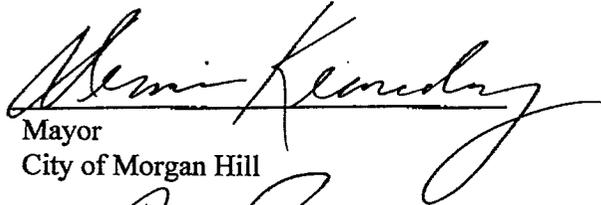
Honorable Bruce Babbitt
Honorable Gray Davis

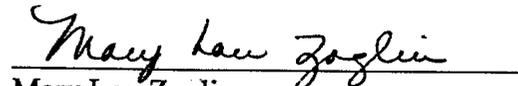
3

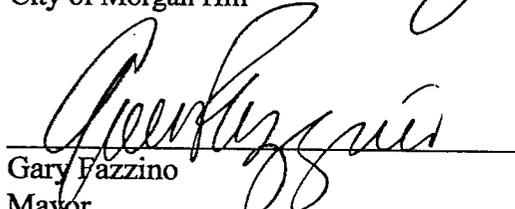
June 30, 1999


Henry Manayan
Mayor
City of Milpitas


Jack Lucas
Mayor
City of Monte Sereno


Mayor
City of Morgan Hill

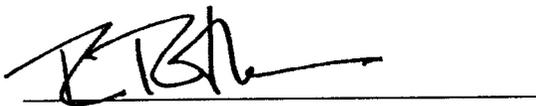

Mary Lou Zoglin
Mayor
City of Mountain View

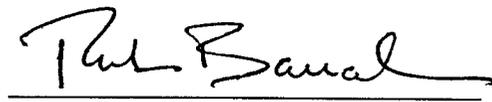

Gary Fazzino
Mayor
City of Palo Alto

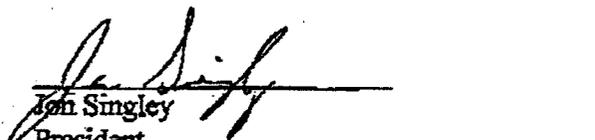

Jim Shaw
Mayor
City of Saratoga

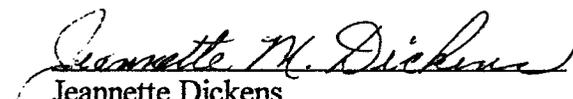

Manuel Valerio
Mayor
City of Sunnyvale


Carl Guardino
President/CEO
Silicon Valley Manufacturing Group


W. Richard Roth
President
San Jose Water Company


Ruben Barrales
President/CEO
Joint Venture: Silicon Valley Network

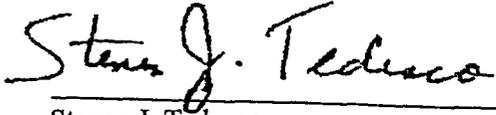

Jon Singley
President
California Landscape Contractor's Association
San Francisco Bay Area Chapter


Jeannette Dickens
President
Santa Clara County Farm Bureau

Honorable Bruce Babbitt
Honorable Gray Davis

4

June 30, 1999



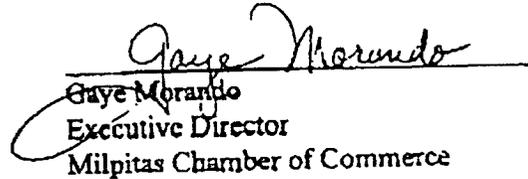
Steven J. Tedesco
President and CEO
San Jose Silicon Valley Chamber of Commerce



Linda Asbury
Executive Director
Cupertino Chamber of Commerce



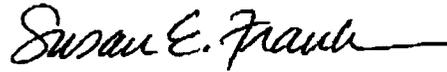
Susan Valenta
Executive Director
Gilroy Chamber of Commerce



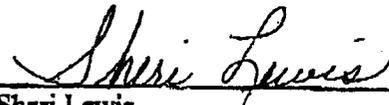
Gaye Morando
Executive Director
Milpitas Chamber of Commerce



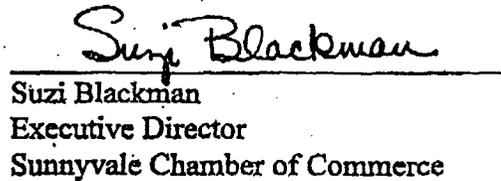
Carol Olson
President
Mountain View Chamber of Commerce



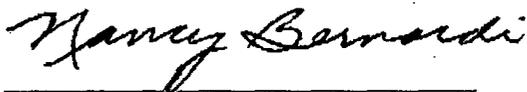
Susan Frank
President and CEO
Palo Alto Chamber of Commerce



Sheri Lewis
Executive Director
Los Gatos Chamber of Commerce



Suzi Blackman
Executive Director
Sunnyvale Chamber of Commerce



Nancy Bernardi
President
Guadalupe Coyote Resource Conservation District

Attachment

cc: Members of Santa Clara County Congressional Delegation
Members of Santa Clara County State Legislative Delegation
Lester Snow, CALFED Bay-Delta Program

Key and Supporting Message Points:

1. **Equitable and progressive improvement in all solution areas during Stage 1.** To meet the CALFED Bay-Delta Program's four equal goals of improved water quality, water supply reliability, ecosystem restoration, and levee stability, program development and implementation must provide for balanced achievement of these four goals, recognizing that historic imbalances should be corrected to the extent possible.
2. **Sustained state and federal funding to support Stage 1 actions in all solution areas.** Constituents of Santa Clara County support the President's FY2000 budget request of \$95 million for CALFED and believe that it should be fully appropriated. However, CALFED's Stage 1 implementation is expected to begin in July 2000 and continue for seven years. We recognize CALFED's "beneficiaries-pay" principle. Nonetheless, to accompany local public and users-based sources of funding, adequate state and federal funding are imperative throughout the first stage to support a balanced program of implementation in the following areas:
 - a. **Source water quality improvements.** CALFED committed to provide safe, reliable, and affordable drinking water in a cost effective way either by achieving adopted drinking water quality targets (as specified in the December 1998 Phase II Report) or by providing an equivalent level of public health protection utilizing a cost effective combination of alternative source waters, source control, and treatment technologies. CALFED also committed to provide continuous water quality improvement for Delta drinking water supplies toward these adopted long-term water quality targets. Urban areas such as Santa Clara County that depend on the Delta for water supply need source water quality improvements to protect public health. CALFED's Stage I implementation must progressively meet these commitments.
 - b. **Treatment technology implementation.** We believe the state and federal governments have a commitment to help fund, early in Stage 1, the necessary research and implementation of advanced treatment technology at the local water utilities to protect public health and to meet future drinking water quality standards.
 - c. **Feasibility studies for regional alternatives.** As part of the alternative means to achieve CALFED's adopted water quality goals, Santa Clara Valley Water District and other Bay Area water agencies will cooperate with CALFED to jointly investigate the potential to improve drinking water quality through alternative sources of supplies. We anticipate that in addition to local funding sources, CALFED support and funding will be necessary for such an effort.
 - d. **Watershed management programs and Total Maximum Daily Load (TMDL)-based pollution prevention programs.** We believe CALFED should expand the scope and budget of the proposed Stage I Watershed Management Program to include pollution prevention efforts in urban watersheds. Constituents of Santa Clara County have developed a watershed management program to coordinate the "patchwork" of separate regulatory actions to address the various sources of pollution that threaten the Bay, and to protect water quality throughout Santa Clara Basin watersheds. The Regional Water Quality Control Boards' efforts in developing TMDL-based pollution prevention programs for individual watersheds must be adequately funded and coordinated with CALFED's water quality program to provide effective pollutant source control throughout the Bay-Delta system.

- e. **Conservation and recycling.** Constituents of Santa Clara County support conservation and recycling as necessary elements of the CALFED program. Our local industries, residents, and agriculture have invested heavily in water conservation and reuse. As a matter of fact, the water use in the county over the past eleven years remains below 1987 levels during a period of rapid economic growth. We commit to further water use efficiency as a way to mitigate future shortages. However, other water users, both agricultural and urban, must also commit to significant new efforts in water use efficiency. In addition, CALFED must provide both financial and institutional support to advance demand management and recycling programs to achieve significant gains in these areas.
 - f. **Ecosystem restoration and implementation of the Environmental Water Account.** We continue to support implementation of CALFED's Ecosystem Restoration Program and maximizing coordination and leverage with the Restoration Fund established by the Central Valley Project Improvement Act. We believe the South Bay is integral to the Bay-Delta system and appreciate CALFED's 1998 funding of the barrier removal project on the Guadalupe River and the cold water fisheries and water quality assessment tasks of the Santa Clara Valley Watershed Management Initiative. Such funding efforts link the residents of the South Bay to the CALFED process both geographically and politically and help garner support for CALFED. Furthermore, we support the establishment of the Environmental Water Account as a creative tool in the portfolio of environmental water management measures and actions to simultaneously maximize environmental protection, water supply certainty, and water quality.
 - g. **Integrated storage investigation.** We support CALFED's Water Management Strategy of developing a balanced, phased and integrated package of possible water management tools including: water use efficiency, water transfers, conveyance facilities, and groundwater and surface storage opportunities to achieve ecosystem, water supply reliability, and water quality goals. CALFED needs to perform the necessary studies within Stage 1 to determine the proper mix of surface and/or groundwater storage, and the general operational strategy necessary to meet CALFED objectives.
 - h. **Monitoring and needs assessment for additional Delta facilities.** We support CALFED's approach of maximizing the utility of the existing Delta facilities to meet ecosystem, water supply reliability, water quality, and levee stability goals. However, CALFED should continue to monitor the overall effectiveness of program implementation through Stage 1 and evaluate the need for additional Delta facilities to meet its adopted goals.
3. **Provide assurances of improved water supply reliability and improved water quality.** Constituents of Santa Clara County supported the CALFED process as a consensus-building effort to resolve Bay-Delta issues. As participants of this process, we expect the reliability and quality of State Water Project, Central Valley Project, and Hetch Hetchy supplies for Santa Clara County will be improved. Silicon Valley, the high-tech center of the nation, cannot be sustained if its annual water supply is vulnerable to unpredictable cutbacks and shortages, especially if such shortages have very little linkage to hydrologic conditions. In 1996, stakeholders within Santa Clara County jointly developed an Integrated Water Resources Plan to meet the county's future water needs. This integrated plan, while emphasizing conservation, recycling, banking, and transfers, is built upon the foundation of maximizing use of existing baseline supplies from our three imported water sources and local sources. We expect the CALFED process to provide the assurances and certainty that are critical to our water supply reliability needs.

The businesses and residents of Silicon Valley also depend on a high quality source of water to meet industrial and potable needs. We cannot accept any unmitigated degradation of water quality in order for CALFED to meet other program objectives. On the contrary, we expect CALFED to provide continuous improvement towards the achievement of its adopted drinking water quality targets to enable urban water supply agencies to meet future, more stringent drinking water regulations in an economical and feasible manner.

4. **Fair and equitable allocation of program costs.** The allocation of costs to implement the Bay-Delta solution must be equitable, and commensurate with improved drinking water quality, water supply reliability, levee stability, and environmental benefits.
5. **Cost-effective implementation and adaptive management.** We believe that CALFED should implement program actions that are cost-effective and provide multiple benefits in the four solution areas. In addition, CALFED's staged implementation and decision-making process should be designed to allow for scientific evaluation of program performance and to facilitate the adaptive management process.
6. **Maintain focus and momentum to resolve Bay-Delta issues.** We appreciate the monumental task that CALFED is undertaking to resolve Bay-Delta issues and we commend CALFED's efforts and progress to-date. We strongly urge CALFED to continue making progress and seeking closure with all of the interested parties in its development of a long-term comprehensive plan that will restore ecological health and improve water management for beneficial uses of the Bay-Delta system. We look forward to CALFED finalizing its Programmatic EIR/EIS such that program implementation in all resource areas can begin.