

November 19, 1997

The Honorable Barbara Boxer  
United States Senate  
112 Hart Bldg.  
Washington, DC 20515

Dear Senator Boxer:

Thank you for your letters of July 25, July 29 August 25 and October 2, 1997, in support of funding for the Sonoma County Water Agency's wastewater treatment plant proposals, San Joaquin River Parkway Land Acquisition Program, Hamilton Wetlands Restoration Project, and the San Joaquin River Riparian Habitat Restoration Project. As you may be aware, our current schedule calls for final decisions on funding to be made in December 1997. We will then forward more details on which projects will be funded. In the interim, however, I would like to provide you with the following information on the status of our funding activities.

We are currently in the decision-making process on the third round of funding for "Category III" ecosystem restoration projects. The December 15, 1994 Bay-Delta Accord included a commitment, commonly called Category III, to develop and fund non-flow related ecosystem restoration activities. The first two years of the program were administered by the Category III Steering Committee, a stakeholder coalition, and funding was provided by the California Urban Water Agencies. In the first two years the Committee allocated a total of \$20.8 million for 38 projects.

With the passage of Proposition 204, and allocation of the state share of Category III, the program was shifted to the CALFED Bay-Delta Program. In June 1997, the Bay-Delta Program released a request for proposals for the third round of funding. By the closing date, we received 332 proposals, requesting over \$471 million in funding. Funding for these projects is limited, of course, so to help us evaluate the proposals, we established 13 technical review panels to make a first-level evaluation of the proposals. Additionally, a 20-member Integration Panel of agency and non-agency advisors has helped bring an ecosystem-wide perspective to the evaluation. The Integration Panel developed a funding strategy based on these evaluations. After receiving comment from the Bay-Delta Advisory Council and the Ecosystem Roundtable, the Integration Panel forwarded that funding strategy to the CALFED member agencies for review and recommendations. This funding

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strategy, amended as necessary to reflect agency recommendations and comments, will be forwarded to the Secretary of Resources, who will make the final decision on funding for proposals. Again, this decision should be made in December.

Until the Secretary makes a funding decision, we are being advised by legal counsel to not disclose the status of any given proposal due the confidentiality requirements under State Contract Law. After reviewing Proposition 204 and other State laws, we concluded that the most defensible and expeditious approach is to treat this round of funding as an award of contracts. As such, we may not reveal the status of proposals until a decision is made. At that time, all evaluation materials will become part of the public record.

Thank you again for your expression of support for the projects listed above. I hope this information is helpful.

Sincerely,

Lester A. Snow  
Executive Director