County of Santa Cruz

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February 6, 2007

Ms. Tracie Billington
Department of Water Resources
Division of Planning and Assistance
P.O. Box 942836
Sacramento, CA 94236-0001

Dear Ms. Billington:

I am writing to convey my strong support for the staff recommendation to award additional IRWM Implementation grants to existing applicants.

I represent the Davenport community on the unincorporated North Coast of Santa Cruz County, which is currently under sanctions requiring all users within its water and sanitation district to either boil their water or use bottled water. This has been going on for the past two years. These sanctions are an extreme hardship for the residents, businesses, and public schools in the district. A grant request to improve this district's water treatment plant is included in the Step 2 Northern Santa Cruz group of IRWM applicants.

<u>There is an urgent need for these grants now</u>. The IRWM grant is needed now, not only to address this urgent and critical water need in my district, but also to keep the IRWM process moving forward in the Monterey Bay region. The Northern Santa Cruz partner agencies have worked together to integrate projects since 1998, and have cooperated on IRWM development and implementation since 2002. They provided leadership for IRWM planning to other agencies in the Northern and Coastal Counties Water Bond Coalition. A $12.5 million implementation grant now, as recommended by staff, rewards this important effort. Project costs will escalate and the impact of a grant will be diminished if Santa Cruz County agencies are forced to delay these priority projects because of a lack of funding. Many of these projects, such as the water system improvements to meet public health standards in Davenport I noted above, are extremely time-sensitive. I feel strongly that the Proposition 50 IRWM funds should be directed to proposals that were called back for Step 2, as described in the revised funding recommendations.

The State benefits from regional cooperation. The revised funding recommendations set the stage for an unprecedented level of regional cooperation and collaboration throughout the Central Coast and, in particular, the Monterey Bay region. A local match of $68 million has been assembled for the $25 million proposal. Even at 50% grant funding, much of this match will remain intact and will leverage the State's investment.

The revised staff recommendations will result in a wiser use of public funds at the local level because agencies that prepared Step 2 proposals will be spared the considerable expense of repeating the application process at a later date. Some agencies spent over $500,000 in local funds preparing these proposals. Awarding grants to those who have already applied and shown merit makes good sense.

An equitable approach to funding additional proposals is appreciated. I very much appreciate the State agencies' efforts to get more of the Proposition 50 IRWM funds distributed quickly, and especially appreciate the responsiveness to the comments after the first recommendations. I also strongly support the recommendation that additional proposals recommended for funding should all be funded at the same 50% level, as is fair and equitable.

Thank you very much for your consideration.

Sincerely,

NEAL COONERTY, Supervisor
Third District

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