



NORTHEASTERN SAN JOAQUIN COUNTY GROUNDWATER BANKING AUTHORITY

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February 7, 2007

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FEDERATION - ASSOCIATE MEMBER

Ms. Tracie Billington
Department of Water Resources
Division of Planning and Assistance
Post Office Box 942836
Sacramento, California 94236-0001

Ms. Shahla Farahnak
State Water Resources Control Board
Division of Financial Assistance
1001 "I" Street, 16th Floor
Sacramento, California 95814

SUBJECT: COMMENTS REGARDING CONSIDERATION BY THE CALIFORNIA DEPARTMENT OF WATER RESOURCES AND THE STATE WATER RESOURCES CONTROL BOARD TO AWARD ADDITIONAL PROPOSITION 50 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FUNDS

Dear Ms. Billington and Ms. Farahnak:

Since the passage of Proposition 50 in 2002, the Northeastern San Joaquin County Groundwater Banking Authority (Authority) has diligently and aggressively worked to position itself to capture Integrated Regional Water Management (IRWM) Grant funds. The Authority was successful in securing an IRWM Planning Grant and supported the City of Stockton's IRWM Implementation grant application. With a soon-to-be-adopted IRWM Plan, the Authority is under the impression that it would be in an excellent position to make a run at the second round of IRWM Implementation Grant funds. The impending decision to essentially scrap the second round of IRWM Implementation Grant funding would put the Authority at a distinct disadvantage. In hopes of dissuading the California Department of Water Resources (DWR) and the State Water Resources Control Board (SWRCB) from shifting funds previously allocated to the second round of Proposition 50 IRWM Implementation Grants, the Authority offers the following comments:

From the perspective of the Authority, in order to be eligible for grant funding, the State first required agencies to prepare Urban Water Management Plans. With the passage of Senate Bill 1938, agencies were then required to prepare and adopt Groundwater Management Plans to be eligible for State funding, which the Authority has completed. With the passage of Proposition 50, the State again raised the eligibility bar by requiring agencies to prepare IRWM Plans. The Authority, in reaction to the ever-escalating requirements, took upon the challenge of defining a regional Management area and worked diligently with stakeholders and interested agencies to prepare an IRWM Plan.

To ensure the Authority's IRWM Plan was adopted on time, a timetable encompassing both regional milestones and the anticipated IRWM Grant Program schedule was formulated. It was expected that

Ms. Tracie Billington
Ms. Shahla Farahnak
PROPOSITION 50 COMMENTS

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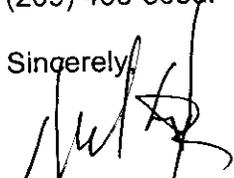
the DWR and SWRCB would continue on the path to carry out two rounds of IRWM Implementation Grants, leaving a substantial amount of money in the second round for which the agencies would compete. With an expected adoption date later this coming spring, the Authority's IRWM Plan hopes to be highly competitive for the second round of Proposition 50 IRWM Implementation Funds. The Authority has no doubt that the additional project proponents funded by the shift of second round monies are deserving; however, it just does not seem fair to have planned for and worked so hard to complete an IRWM Plan, only to have that opportunity taken away.

The Authority is also concerned regarding the argument that Proposition 84 will, somehow, meet the financial needs and that regions which did not receive Proposition 50 funds, may somehow drive the DWR and SWRCB's decision. As we have already seen, the financial needs of the State far exceed the availability of bond funds. Competition for Proposition 50 IRWM Implementation funds is extremely intense, and expectedly, competition for Proposition 84 funds will only be more grueling. To ensure the fairness of the competitive process, the rules for selecting worthy agencies must be clearly defined and consistent throughout the entire process, from start to finish.

The voters of California recognize the dire consequences of not investing in our water supply and flood protection needs; however, the recently-passed water infrastructure bonds amount to only a fraction of the total financial need. The public has every right to expect that the monies authorized are invested wisely and distributed in a fair manner. Any attempt to create inequities in the distribution process could severely jeopardize the passage of future bond measures.

Thank you for the opportunity to comment on the pending California Department of Water Resources and the State Water Resources Control Board decision to shift funds, previously allocated to the second round of Proposition 50 Integrated Regional Water Management Implementation Grants, to fund more first-round applicants. Should you have any questions regarding the comments provided or the activities of the Northeastern San Joaquin County Groundwater Banking Authority, please contact me at (209) 468-3089.

Sincerely,



MEL LYTLE, Ph.D.
Water Resource Coordinator
Northeastern San Joaquin County
Groundwater Banking Authority

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WR-7B017-M1

c: Northeastern San Joaquin County Groundwater Banking Authority
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