

January 29, 2007

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

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

Subject: Comments on Additional Grant Awards for the Integrated Regional Water Management (IRWM) Grant Program

Dear Ms. Billington and Ms. Farahnak:

I would like to express my strong support for the State to fund additional proposals from among the step 2 applicants of the implementation grants process.

The Santa Clara Valley Water District (District) manages the major watersheds in Santa Clara County, including 10 reservoirs, more than 800 miles of streams and large groundwater basins. The water district also provides flood protection throughout Santa Clara County and acts as the county's water wholesaler.

The District collaborated with numerous water management agencies and entities around the nine-county Bay Area region and successfully completed the development of an Integrated Regional Water Management Plan (IRWM Plan). The Bay Area IRWM Plan is unprecedented in its comprehensive scope and coverage of all the water management functions undertaken by agencies around the region. Our collaborative process also brought together diverse agencies and stakeholders that historically function and pursue their individual interests independently, sometimes at odds with one another.

A number of IRWM Plan participants, including the District, collaborated on the implementation grant proposal as a way to promote early implementation of multi-purpose projects that provide multiple benefits to constituencies in the Bay Area region. We heeded the State's call for consolidation and accommodated the halved grant amount by increasing our local match. However, local resources are already inadequate for completing all the necessary functional responsibilities and it is increasingly difficult to justify additional expenditures on regional projects. A more substantial grant amount is needed to provide the needed incentive for project proponents to divert precious local resources to projects that may otherwise not be implemented.

We are all faced with rapid escalation in construction costs and the diminishing value of the dollar as a result. It is imperative that the State release these public bond funds as soon as possible and put the public dollars to work. The 15 projects contained in the Bay Area proposal, if fully-funded, will produce water supply and water quality benefits valued at \$700 million.

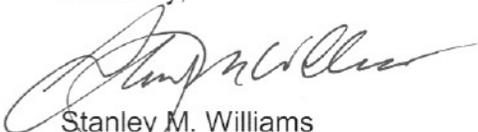


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As you well know, the Bay Area region is the economic engine of the country and maintaining the economic vitality of the region through sound water management is one of the top priorities of the Bay Area IRWM Plan. I urge the State to consider the vital importance of the Bay Area region and reward the extraordinary efforts undertaken in the Bay Area by allocating a larger portion of the remaining Proposition 50 funds to the Bay Area.

Thank you for your consideration and the hard work that you and your staff invested in the IRWM program. Please do not hesitate to contact me or Amy Fowler of my staff at (408)265-2600 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanley M. Williams", written in a cursive style.

Stanley M. Williams
Chief Executive Officer

cc: Amy Fowler, SCVWD