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November 25, 2008

Secretary Mike Chrisman
California Resources Agency
Environmental Protection Agency
1416 9th Street, #1311 1001 I Street

Secretary A.G. Kawamura
California Department of Food and Agriculture
1220 N Street 505 Van Ness Avenue
Sacramento, CA 95814

Secretary Dale Bonner
California Business, Transportation and Housing Agency
980 9th Street, #2450
Sacramento, CA 95814

Secretary Linda Adams
California Environmental Protection Agency
1001 I Street
Sacramento, CA 95814

President Michael Peevey
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Final Delta Vision Strategic Plan and State Delta Priorities

Dear Secretary Chrisman and Members of the Delta Vision Committee:

As an active participant from the beginning in the Delta Vision process, the California Building Industry Association (CBIA) offers the following recommendations for the Delta Vision Committee's consideration as you move forward with implementation of critical state policies regarding the Delta. CBIA agrees with the majority of the Blue Ribbon Task Force's recommendations in their Vision and final Strategic Plan, but believe the Committee should take advantage of its broader state responsibilities in developing a priority list of state Delta policies.

Context

California is in the midst of multiple public policy challenges: budget, housing, water supply, unemployment and overall economic decline. And, yet critical to the focus of the Committee and the Governor is how to develop environmentally responsible policy of ensuring a reliable supply of water to serve the state's future.

The challenge of doing so should begin with a clear recognition that the state's chronic lack of investment in water supply infrastructure must change. What's

happening in the Delta today can be attributed to California's decades-long neglect. An incomplete and aging State Water Project dependent upon an increasingly fragile Delta for conveyance places all Californians at substantial economic and health risks unless greater urgency is placed upon physically protecting and improving conveyance of water through and around the Delta.

CBIA believes Governor Schwarzenegger understands these risks and applauds his support for emergency measures in the Delta and his leadership in seeking authorization for taking a substantial new water bond to the voters.

But, now the economic imperative of taking immediate action to increase California's water supply is even greater. At a time when local governments are teetering on the verge of bankruptcy -- do to the severe decline in home production -- there are forces locally calling for building moratoria based on denials of water service to new homes because of water supply concerns. The state can no longer debate and postpone improvements to its water supply infrastructure. California must act now to improve its water supply or the result will potentially be a statewide halt to new construction, the loss of thousands of additional jobs and a further decline in state tax revenue.

For these reasons, we urge you to place a very high priority upon the following actions:

1. Improve the reliability of the state's current water supply infrastructure.
 - a. Continue to take emergency steps to provide for rapid recovery in the event of a Delta collapse.
 - b. Require improved treatment of wastewater being discharged into Delta rivers and tributaries.
2. Continue to proceed as expeditiously as possible with the environmental documentation and design work necessary to construct the dual conveyance facilities necessary to improve the movement of water and to provide the operational flexibility needed to improve the protection of threatened and endangered Delta fish species.
 - a. Clarify any authorization issues necessary to permit the addition of new conveyance to the State Water Project that can be operated with existing through-Delta conveyance.
 - b. Provide any policy clarifications necessary for the State Water Project and Central Valley Project contractors to pay for new conveyance that will benefit water users.
3. Identify and construct new surface and groundwater storage necessary for the state to collect and store water in response to changing snow and precipitation patterns due to climate change.
4. Permit the implementation of 2007 flood legislation before making dramatic new changes in state flood policies.
5. Do not create a major new California Delta Environment and Water Council bureaucracy when existing state agencies already have the authority to make

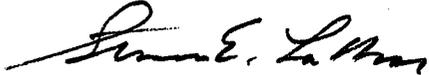
most of the changes recommended by the Blue Ribbon Task Force.

6. We agree with the Blue Ribbon Task Force recommendations to limit development in the Primary Zone, but strongly object to the Strategic Plan's approach in the Secondary Zone that ignores existing landowner rights and local government policies consistent with existing state law.
 - a. As an alternative, the state should identify the land it needs for public purposes (endangered species, habitat, safety, flood protection, water conveyance) in both the Primary and Secondary Zones and acquire that land through purchase or easements.
 - b. Local government and landowners have made critical land use planning and investment decisions based upon today's land use laws and requirements. It is unfair and inappropriate to arbitrarily proceed with new state policies to prevent urbanization without a specific public purpose for doing so on a parcel-by-parcel basis.

7. CBIA strongly supports the creation of a Delta conservancy to protect habitat and improve the ecological functioning of the Delta.

CBIA is committed to playing a proactive and constructive role in solving our state's water supply issues, and we look forward to working with you as make critical decisions regarding the future of the Delta.

Sincerely,



Steve LaMar
Chairman, Water Resources Subcommittee

Cc: Governor Arnold Schwarzenegger
Vickie Bradshaw, Cabinet Secretary, Office of the Governor
John Moffatt, Deputy Legislative Secretary, Office of the Governor
Director Lester Snow, Department of Water Resources
Director Joe Grindstaff, CALFED Bay Delta Program