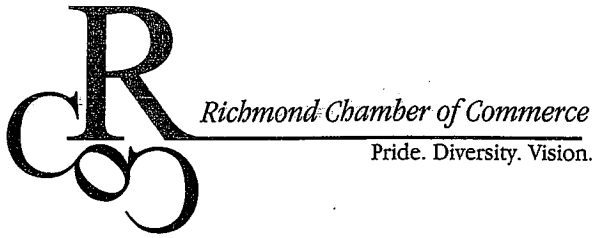

July 2, 2008

Honorable John Laird
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

Dear Assemblyman Laird:

As representatives of the business and residential communities served by the East Bay Municipal Utility District (EBMUD), we are pleased to see the Legislature taking action to secure the State's water supplies in the face of challenging circumstances. The State has recognized the central importance of the Sacramento-San Joaquin Delta in providing ecosystem and export water supply benefits through the Delta Vision process. We wish to highlight the needs of EBMUD's Mokelumne Aqueducts as an essential element of the public infrastructure located in the Delta. These aqueducts provide 90% of the municipal and industrial water supply to 1.3 million people in Alameda and Contra Costa counties.

EBMUD's aqueducts cross five Delta islands that are below sea level, protected by 51 miles of earthen levees that must continuously hold back the Delta waters. As we saw in the June 2004 rupture of the levee on Upper Jones Tract – which these aqueducts cross – these levees could fail at any time. The Bay Area's economy depends on the water that is delivered through the aqueducts; increased investment in the levees that protect the aqueducts is essential. EBMUD is currently investing over $1.5 million annually to help reclamation districts maintain and improve these levees, but more work is needed and the pace of improvement must be accelerated.

The levees protecting EBMUD's aqueducts need $120 million in investments to meet Army Corps standards for agricultural levees. These improvements will also provide direct benefits to other State assets including vital transportation infrastructure (Highway 4, the

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BNSF rail line, shipping routes) electricity, oil and gas lines, and water export conveyance channels.

As you consider the recommendations of the Delta Vision process and make decisions affecting the future of the Delta, EBMUD's aqueducts and the levee system protecting them should be recognized as worthy of State investment along with the export projects and other critical public assets. Failure to promptly appropriate the available funds to protect this vital infrastructure places both the Bay Area's and the State's economy at significant risk.

Thank you for your attention to these critical funding needs.

Sincerely,

Judith Morgan
President and CEO

cc: Honorable Senate President pro Tem Don Perata
Honorable Assembly Speaker Kim Bass
Honorable Senator Darrell Steinberg
Alameda and Contra Costa County Legislative Delegations
Mike Chrisman, Secretary, California Resources Agency
Karen Scarborough, Undersecretary, California Resources Agency
Lester Snow, Director, California Department of Water Resources
Joe Grindstaff, Director, California Bay-Delta Authority
Phil Isenberg, Chair, Delta Vision Blue Ribbon Task Force
Lesa R. McIntosh, President, Board of Directors, East Bay Municipal Utility District