■ 201 California St., Suite 1450
San Francisco, CA 94111
(415) 981-6600

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President & CEO
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JANET L. YELLEN
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JIM WUNDERMAN
President & CEO
Bay Area Council

* Nominee

BAY AREA COUNCIL

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May 29th, 2008

Honorable Denise Ducheny
Chair, Senate Budget Committee
State Capitol, Room 5035
Sacramento, CA 95814

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

Honorable Dennis Hollingsworth
Vice-Chair, Senate Budget Committee
State Capitol, Room 5064
Sacramento, CA 95814

Honorable Roger Niello
Vice-Chair, Assembly Budget Committee
State Capitol, Room 6017
Sacramento, CA 95814

Dear Legislators:

As representatives of 275 of the largest employers of the Bay Area, we agree with the Administration's and Legislature's recognition of the need to secure the State's vulnerable water supplies; an admittedly complex and arduous undertaking. The Bay Area Council expresses its gratitude to you for your support of the emerging Delta Vision of the Sacramento-San Joaquin Delta as both an important ecological asset and vital water conveyance system.

East Bay Municipal Utility District's Mokelumne Aqueducts are a critical element of the water conveyance network that crosses the Delta, and is at risk in the event of levee failure. These aqueducts provide 90% of the municipal and industrial water supply to 1.3 million residential customers in Alameda and Contra Costa counties, as well as large percentage of the Bay Area's major industrial users.

Long sections of the Mokelumne Aqueducts are currently at risk and will be out of commission should we experience another levee failure such as the Upper Jones Tract failure of 2004. The aqueducts traverse five Delta islands that are currently below sea level. These vulnerable islands are protected by over 50 miles of deteriorating earthen levees to hold back the surrounding saltwater. These levees are in urgent need of repair and East Bay MUD has been investing over $1.5 million each year in their upkeep but much more is needed if we are to secure this vital water supply.

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The levees protecting EBMUD's aqueducts need $120 million in investments to meet Army Corps standards for agricultural levees. These improvements will also provide flood protection to other State assets including vital transportation infrastructure (Highway 4, the 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 alongside the export projects and other critical public assets. We feel that 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. The Bay Area Council's support of this rests upon a long history of working together with the Legislature and successive Administrations in improving the Delta and water supply for the Bay Area region and entire State.

Thank you for your attention to these critical funding needs.

Sincerely,

James D. Levine, P.E.
Chairman, Bay Area Council
Water Policy Committee,
President & CEO
Montezuma Wetlands, LLC

Sincerely,

Jim Wunderman
President & CEO
Bay Area Council

cc: Honorable Senate President Pro Tem Don Perata
Honorable Assembly Speaker Karen Bass
Honorable Senate President Pro Tem-elect 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