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August 19, 2008

Honorable Governor Arnold Schwarzenegger
State Capitol Building, First Floor
Sacramento, CA 95814

Honorable Secretary Mike Chrisman
Resources Agency
Resources Building
1416 Ninth Street
Sacramento, CA 95814

Subject: Preparation for upcoming decisions on the Delta and California's water future

Dear Governor Schwarzenegger and Secretary Chrisman:

First, we want to congratulate you on the work of the Governor's Blue Ribbon Task force and its working groups. The early signs are that the Task Force process has initiated a hopeful new era of decision-making around California water policy, and we hope the remaining decision-making in 2008 and 2009 continues with the same level of objectivity and openness that has characterized the Task Force's work in 2007 and early 2008.

It is clear that with the overlapping of California's financial and water crises, our only hope is that future California water decisions will be rooted in peer-reviewed, and openly-vetted scientific, engineering and economic analysis. We just can't afford to get it wrong this time.

We understand that the technical analyses for the major components of upcoming Delta and water policy decisions are beginning to come in, starting with the recently-released report authored by the Public Policy Institute of California (PPIC). This is an important new document grounded in serious study and analysis, and we applaud PPIC's initiative in undertaking this work. We understand the Bay Delta Conservation Program, Delta Risk Management Study and other modeling analyses are also underway to examine what combination of levees, storage, conservation, water marketing, Delta land use and farm management practices, and conveyance strategies will provide the best operational system to secure water supplies and contribute to a coordinated state strategy to resuscitate a devastated Delta ecology. Once these studies are presented, vetted and compared, we should have the tools to make the ultimate decisions on how best to protect, restore, and sustain a rich Delta ecology, maintain the agricultural vitality of our great central valley, and of course the drinking water for two-thirds of our population.

We are encouraged by the growing consensus that these decisions must be driven by open scientific and economic analyses and discussion, without preconceived conclusions. All options should be on the table conceptually, with solid research and analysis the basis for choosing the best among them. We encourage the Resources Agency to undertake a vigorous technical evaluation of the scientific and economic work in all of the studies coming out, so they can play a substantial role in the decision-making process. As we understand there is much political debate concerning the usefulness and cost of surface storage, we encourage the Resources Agency to vigorously complete outstanding feasibility studies on all storage projects (surface and ground-water), so rational decisions can be made with some hope of consensus. An open review process of all the analyses being undertaken will be a key element in making sure the decisions will be made by well-advised policy-makers, not judges.

Our coalition of business groups from around the state is engaged on these issues and will continue to work with business, water, governmental and environmental interests from around the state to find the best set of solutions to secure our water future.

Please contact Jim Levine, our Water Committee chair, at jim.levine@lfr.com or 510-596-9501, or the undersigned to further discuss these ideas and how we can best collaborate to solve these problems together.

Sincerely,



Carl Guardino
President and CEO
Silicon Valley Leadership Group



Lucy Dunn
President & CEO
Orange County Business Council



Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce



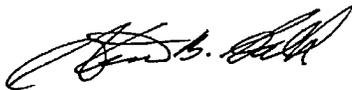
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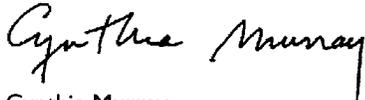
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CC: Lester Snow, Director, California Department of Water Resources
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