

**Calaveras County Water District
Carmichael Water District
Central Delta Water Agency
Citrus Heights Water District
City of Folsom
City of Hayward
City of Manteca
City of Roseville
City of Sacramento
City of Stockton
County of Sacramento
Del Paso Manor Water District
East Bay Municipal Utility District
El Dorado Irrigation District
Regional Water Authority
Sacramento Municipal Utility District
Sacramento Suburban Water District
San Francisco Public Utilities Commission
San Joaquin County
San Juan Water District
Stockton East Water District
South Delta Water Agency
Woodbridge Irrigation District**

August 4, 2010

Karen Scarborough
Undersecretary, California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

Dear Ms. Scarborough:

We recognize your efforts with regard to the Bay Delta Conservation Plan (BDCP). However, as diverters of water in and upstream of the Delta, we are neither formal participants in nor

beneficiaries of the long-term operating permits which may be issued under the BDCP. We anticipate no benefits for ourselves such as the long-term operating permits and regulatory assurances that the BDCP water agencies stand to enjoy.

In the very short time that remains before completion of the draft BDCP in November, we are concerned that major questions are still unanswered, with few clues as to the outcome. Foremost among these are:

- 1. Water Rights and Delta Flows** – The Delta Reform Act of 2009 states that water rights shall not be impaired or diminished as a result of its provisions, which include the BDCP. However, virtually no information has been made available from the BDCP on how the Delta estuary can be revitalized under the operational scenarios envisioned for new conveyance which may result in increased water diversions from the Delta. The State Water Board has recently adopted its flow criteria for the Delta ecosystem. It is unclear how these flow criteria will inform the BDCP planning process, as required by law. This compels us to ask that you clarify how the BDCP Steering Committee intends to incorporate this mandated flow criteria into the BDCP.
- 2. Funding** - The costs of implementing the BDCP will be enormous even if south of Delta exporters pay for new conveyance; however, up to this point there has been very little open discussion of the total program costs or the sources of financing. In this time of unprecedented government budget deficits, it is critical to have complete transparency in deliberations on how the BDCP will be funded. The applicants for the BDCP, or potentially regulated entities, will derive tangible benefits of considerable value from the BDCP and need to shoulder an appropriate share of the total costs in exchange for the benefits they will receive.

Fairness and equity dictate that the total costs of the Delta Plan, including the BDCP, be apportioned on the basis of benefits received. Such allocation must necessarily include a clear distinction between the benefits received by Delta exporters and those benefits that should appropriately be paid for by other beneficiaries or the general public.

In summary, the BDCP must not be developed and implemented in a way that undermines water rights for non-BDCP participants, or unfairly burdens some with costs that are not clearly linked to the benefits received.

We appreciate this opportunity to comment on the BDCP development. Due to the profound scope and potential long-term changes that are proposed by this applicant-driven process, we urge you allow sufficient time to address these concerns comprehensively, as well as other comments that are sure to arise as the BDCP releases more detailed information about the proposed project and its impacts. The Steering Committee has been diligent in its efforts on the BDCP over the past several years, and we look forward to your openness and responsiveness to public input on the BDCP.

Undersecretary Karen Scarborough

August 4, 2010

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We certainly look forward to the opportunity to work through these issues cooperatively with the Steering Committee.

Sincerely,



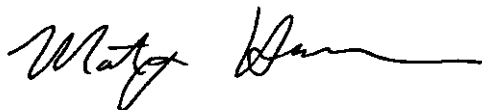
Jim Abercrombie, General Manager
El Dorado Irrigation District



John DiStasio, General Manager & Chief
Executive Officer
Sacramento Municipal Utility District



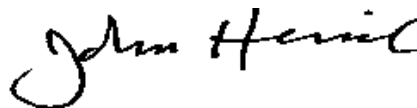
Michael Carlin, Deputy General Manager
San Francisco Public Utilities Commission



Marty Hanneman, Director, Department of
Utilities
City of Sacramento



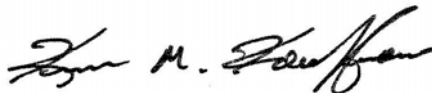
Anders Christensen, General Manager
Woodbridge Irrigation District



John Herrick, Counsel & Manager
South Delta Water Agency



Keith DeVore, Director, Department of
Water Resources
County of Sacramento



Kevin M. Kauffman, General Manager
Stockton East Water District



Dennis M. Diemer, General Manager
East Bay Municipal Utility District



Joone Lopez, General Manager
Calaveras County Water District

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Shauna Lorance, General Manager
San Juan Water District



Larry Ruhstaller, Vice Chairman
San Joaquin County



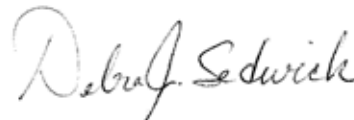
Mark J. Madison, Director, Municipal
Utilities Department
City of Stockton



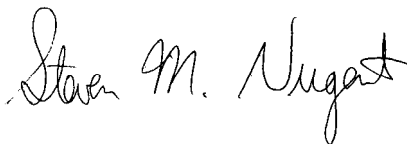
Robert Roscoe, General Manager
Sacramento Suburban Water District



Dante John Nomellini, Counsel
Central Delta Water Agency



Debra Sedwick, General Manager
Del Paso Manor Water District



Steven Nugent, General Manager
Carmichael Water District



Michael Sweeney, Mayor
City of Hayward



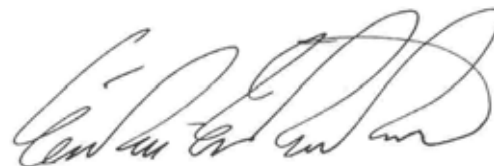
Kenneth Payne, Director, Utilities
Department
City of Folsom



Ken Vogel, Supervisor
San Joaquin County



Charles Rose, President, Board of Directors
Citrus Heights Water District

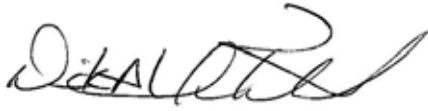


Willie W. Weatherford, Mayor
City of Manteca

Undersecretary Karen Scarborough

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A handwritten signature in black ink, appearing to read "D. Whitehead". The signature is fluid and cursive, with a large initial "D" and "W".

Derrick Whitehead, Director, Environmental
Utilities
City of Roseville

A handwritten signature in black ink, appearing to read "John Woodling". The signature is cursive and stylized, with a large initial "J" and "W".

John Woodling, Executive Director
Regional Water Authority